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WOLSELEY HUGHES From Falkirk to Florida We're growing from strength to strength

Teachers' pay offer improved

A settlement of the teachers' dispute in England and Wales is in sight after the employers improved their phased pay offer to 8.5 per cent...

Rebel hold on Kampala

Uganda's National Resistance Army guerrillas were holding positions in the capital, Kampala, as the military government appeared on the brink of collapse...

Unionist setback

Ulster Unionists' hopes of an unequivocal victory in Northern Ireland by-elections were upset by the loss of one seat and the failure to raise their vote significantly...

Nigerian Cabinet shuffle

Nigeria's Oil Minister Tam David-West and Finance Minister Kalu Kalu were given alternative posts in a Cabinet shuffle...

Aden leader 'replaced'

Aden radio said South Yemen's President Ali Nasser Mohamed had been dismissed and Haider Abubakar-al-Attas, the Prime Minister, made interim head of state...

Threat to rigs recedes

A Greek oil tanker, holed in a collision with a trawler off Norfolk, was towed away after it had threatened to drift on to gas rigs. Heavy seas broke up the oil slick...

NUM wins vote

Leicestershire's 1,600 miners voted almost 2-1 to stay in the National Union of Mineworkers...

US exercise off Libya

The US ordered naval exercises off the coast of Libya, stepping up its war of nerves with Colonel Muammer Gaddafi...

Black miners sacked

Rondfontein Estates gold mine, South Africa, dismissed hundreds of black miners following Tuesday's clash between workers and police...

Tribal toll reaches 42

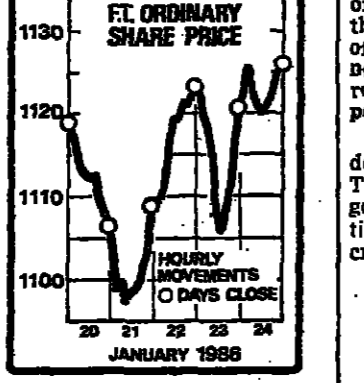
The death toll from clashes between Zulu and Pondo tribesmen near Durban, South Africa, rose to 42...

Argyll may take legal action on bid

ARGYLL GROUP, which is facing a rival bid from Guinness for the Distillers drinks group, said it was considering legal action to stop Distillers' shareholders from having to pay Guinness's underwriting costs...

SHARE and bond prices continued their previous day's recovery

But trade in international stocks was inhibited by currency influences while overall investment incentive was restrained by political distractions...



late on demand for the new Trading account starting on Monday. The index closed 5.8 up at 1,126.2, a rise of 7.5 on the week...

PEPSICO, second largest US soft drinks group, is buying rival Seven-Up for \$350m

(£272.4m) from Philip Morris, US tobacco company. Page 9

GENERAL MOTORS, makers of Vauxhall and Opel vehicles, has made a strong start to the year, capturing 19.7 per cent of the car market in the first 20 days...

BP is to cut prices of industrial fuels with reductions ranging from 1.5p a gallon for Kerosene to 4.1p a gallon for gas oil...

ROYAL ORDNANCE is expected next week to announce loss of about 700 jobs at munitions factories at Birtley, near Gateshead, and Chorley, Lancs...

WESTLAND: Institutional investors expressed disquiet at the high premium prices paid by Sikorsky in acquiring 6.7 per cent in the helicopter company on Wednesday...

HOME COMPUTER market will grow by 18 per cent to £488m this year, according to stockbrokers Wood Mackenzie...

LUCAS ELECTRICAL, Joss-making motor components company announced plans to cut 340 jobs at its Mere Green factory, Birmingham...

ARGENTINE business activity was paralysed by a 24-hour general strike led by the main trade union organisation, the General Confederation of Labour...

SWITZERLAND'S gross domestic product is expected to grow 2.1 per cent this year after a 3.1 per cent increase last year, according to the Organisation for Economic Co-operation and Development...

LEX SERVICE, automotive and electronic components distributor, is selling Lex Wilkinson, its parcels distribution business, to Federal Express of the US...

JADELLE, a company formed by a group of investment trusts to mount a bid for Macarthy's Pharmaceuticals, increased its cash offer, valuing the company at £38.6m...

Brittan resigns over leak

MR LEON BRITTAN, Trade and Industry Secretary, resigned yesterday in response to strong pressure from Tory backbenchers. His resignation came a little over 2 hours after the Prime Minister's disclosure in a Commons statement on Thursday of his role in the leaking of confidential information on January 6, during the Westland crisis...

COUNTDOWN TO RESIGNATION

Oct 4 and 17: Brittan expresses interest in possibility of European minority stake in Westland. November 23: Increasing tension with Heseltine. Dec 4 and 5: ministerial discussions lead to clash with Heseltine over European offer. Brittan favours leaving decision to company which wants Sikorsky/Fiat deal...

Department denied all knowledge of his move. In his letter, Mr Brittan linked his resignation to Mrs Thatcher's statement and the backbench response to it, insisting these were the sole factors in his decision. He wrote: "Since your statement in the House yesterday, it has become clear to me that I no longer command the full confidence of my colleagues. In these circumstances, my continued membership of your Government would be a source of weakness rather than strength..."

received many messages from Tory MPs supporting Mr Brittan and added: "It was my wish that you should remain as a member of the Cabinet. But I have to respect your decision." Downing Street later firmly denied suggestions that Mrs Thatcher was relieved by Mr Brittan's resignation and insisted she regarded him as "an extremely good minister, a steadfast and loyal colleague, and a very good colleague to work with..."

Remaking of Cabinet expected over weekend

MRS THATCHER faces a difficult decision in re-making her Cabinet and maintaining its balance after the second resignation of a leading figure in little more than a fortnight. A suggestion to Mr Leon Brittan, the Trade and Industry Secretary, and possibly consequent changes, are expected to be named during the weekend. The front-runners for Trade and Industry are Mr Nicholas Ridley, the Transport Secretary, Mr Norman Fowler, the Social Services Secretary, and Mr John Wakeham, the Chief Whip...

Uncertainty checks pound's recovery

A RECOVERY in the pound's value was checked yesterday afternoon as reports reached foreign exchange dealers of Mr Leon Brittan's resignation. The Bank of England continued to resist pressure for higher interest rates, signalling its determination to hold present levels by refusing to increase the rate of Treasury bills at its weekly tender sale. The official view was that the sharp fall in oil prices over the past few weeks made some fall in sterling's value inevitable and that it would have been impossible to resist with higher interest rates...

Murdoch group unions call strike 'with immediate effect'

UNIONS at News International's four titles, The Sun, The Times, News of the World and The Sunday Times, said last night they would strike with immediate effect in protest against plans by Mr Rupert Murdoch to cut 4,000 of the group's 6,000 jobs and produce papers from his new Wapping plant in east London without agreement with the main print unions. Ms Brenda Dean, general secretary of the print union Sogat '82 said after a meeting of 82 drivers, all members of the Transport and General Workers' Union, have agreed to lift all papers from the plant, though there is considerable doubt as to how many will cross picket lines. Attention will now shift to the fortified Wapping plant from which Mr Murdoch and his managers have said they will ensure publication of at least restricted runs of the titles. Journalists at the Murdoch papers have been told that they will be expected to move to Wapping if asked and to work normally in producing editorial copy. This would breach the explicit instructions to the journalists from the National Union of Journalists executive not to go to Wapping. The union's News of the World chapel voted yesterday afternoon not to go to Wapping. The print unions have assured all other national newspaper managements that they will continue to print their titles normally, and will permit, indeed encourage increased print runs to take advantage of the loss of copies at News International. Journalists at the group's papers are split on their future stance. The Sun NUJ chapel has instructed its officials to negotiate on a move to Wapping, while Times Newspapers journalists have so far obeyed the NUJ line. The strike call came after a meeting of the five print unions, including the electricians' union, the EPTU, aimed at securing a common front against Mr Murdoch, ended in failure. Mr Eric Hammond, the EPTU general secretary, told his fellow union leaders that he was not prepared to give assurances that he would not negotiate a unilateral deal with Mr Murdoch for his members among the 500 staff already engaged at Wapping. A special meeting of the TUC General Council has been called for next Tuesday, at which the EPTU will be called on to defend its actions. Background, Page 5

WEEKEND FT

A DUKE GOES TO EUROPE



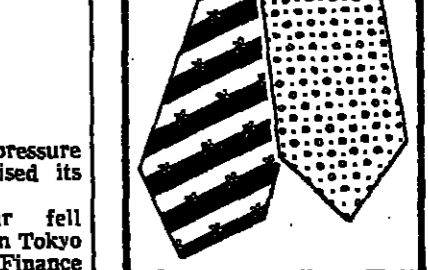
The Duke of Westminster awaits a European Court judgment on UK legislation which has forced the Grosvenor Estate to sell around 10 per cent of its London freeholds. Page 1

FINANCE



A new job offer, however attractive the salary offered, is a matter of weighing the cons as well as the pros. Page VI

DIVERSIONS



Ties are expressions of male personality as well as style. Lucia van der Post reports. Page XIII

DEAR READERS



Patrick Cockburn, FT correspondent in the USSR, sends subscribers greetings from Leningrad. Page XVI

MARKETS table with columns for DOLLAR, STERLING, LONDON MONEY, STOCK INDICES, and GOLD. Includes exchange rates and market data.

CONTENTS table listing various articles and their page numbers, such as 'The Brittan resignation: Mrs Thatcher's future', 'Tax cuts: the hopes are evaporating', etc.

Oppenheimer Unit Trust advertisement. Features large text 'The No.1 Unit Trust' and 'Oppenheimer' vertically. Text describes the trust's performance and offers contact information: 01-236 3885 (6 lines).

OVERSEAS NEWS

Black S. African miners dismissed after riot deaths

BY ANTHONY ROBINSON IN JOHANNESBURG

HUNDREDS of black gold miners were dismissed yesterday by Randfontein Estates gold mine following last Tuesday's bloody confrontation between miners and police who tried to break up an illegal mass meeting close to the mine.

Two white policemen and at least seven miners were killed and over 320 arrested. Police reported seizing two Soviet-made Kalashnikov AK-47 assault rifles and hand grenades after army and police set up road blocks around the mine and the neighbouring township of Bakkersdal, West of Johannesburg.

In a statement last night the company, a subsidiary of Johannesburg consolidated investments (JCI) said "this action was taken where management had clear evidence that those dismissed were involved either in the incident which led to the death of two policemen on Tuesday evening or were those who intended to create further unrest close to or at the mine."

Mass walkouts paralyse Argentine industry

BY JIMMY BURNS IN BUENOS AIRES

BUSINESS activity in Argentina ground to a halt yesterday as the country's major trade union organisation, the General Confederation of Labour (CGT), staged a 24-hour general strike against the Government's IMF-backed economic policy.

Delhi court grants bail to hotel fire directors

BY JOHN ELLIOTT IN NEW DELHI

FIVE directors and the general manager of the New Delhi hotel, where 37 people died in a fire on Thursday, were yesterday granted bail after applying voluntarily to Delhi High Court in anticipation of their arrest.

'No pass, no play' rule hits raw nerve of Texas football teams

BY STEWART FLEMING IN WASHINGTON

JANUARY was a month of bitter disappointment for the girls on the soccer team at Richardson High in Dallas, Texas. After a triumphant season which took them to the brink of the League Cup finals they were suddenly ordered to forfeit seven games because a member of the team had violated a new education law.



Mr Peres ... at pains to stress his wider achievements.

New peace bid closer, says Peres

By Roger Matthews, Middle East Editor

MR SHIMRON PERES, Israel's Prime Minister, concluded his official visit to Britain yesterday confident that he had succeeded in convincing Western governments of his sincerity in seeking a Middle East peace settlement.

Mr Peres said the past few weeks of discussions, in which the US had played a vital role, had brought much closer the detailed shape of eventual negotiations with Jordan.

The Israeli Premier said that Mr Murphy would return to the Middle East or to Europe as soon as there was a clear message from King Hussein of Jordan about the composition of an Arab negotiating team.

Mr Peres said he believed King Hussein would be making a final approach to Syria and the Palestine Liberation Organisation within the next few days in an attempt to ascertain their attitude to negotiations.

Although pleased by his reception in London, Mr Peres has been no less concerned about the reaction to his visit in Israel and stressed yesterday his wider achievements since becoming Prime Minister.

According to Mr Peres, the included ending Israeli involvement in Lebanon, improving the quality of life for Palestinians in the West Bank and Gaza, changing Israel's policy on building settlements, agreeing to arbitration on the border dispute with Egypt, and initiating direct negotiations on the Palestinian issue with Jordan.

In the run-up to the rotation of the Israeli premier's ship due this autumn, Mr Peres is anxious to contrast his achievements and the future prospects of his administration with those of Mr Yitzhak Shamir, the Foreign Minister, who is due to take over from him.

The US and British governments are generally supportive of Mr Peres' political ambitions, whatever their more objective view of the possibilities, or even desirability, of drawing King Hussein alone into peace talks.

US steps up war of nerves with Libya

BY STEWART FLEMING IN WASHINGTON

THE US has stepped up its war of nerves with Libyan leader Colonel Muammar Gaddafi, ordering two aircraft carriers, the Coral Sea and the Saratoga, to conduct exercises off the coast of the north African nation.

Officials in Washington have given differing accounts of the background to the decision, some suggesting that the move is designed to intimidate the Libyan leader, others to signal strongly that the US will not tolerate terrorism.

In response, Col Gaddafi said yesterday that he had placed his navy and air force in a state of "total alert".

The Libyan leader said he had ordered aircraft over the Gulf Sidra to defend Libya's territorial waters. "The US has rejected Gaddafi's claim to the Gulf."

The operations have begun just a week from the February 1 deadline for around 1,000 US citizens to quit the desert country imposed earlier this month by President Reagan, as part of a sanctions package against Libya.

The US move inevitably stirred memories of the manoeuvres which the US conducted off the Libyan coast in August 1981 when US navy jets flew directly over the Gulf of Sidra, an area Libya says is part of its territory—a claim the US has disputed.

Bank chief hints at EMS realignment soon

BY JONATHAN CARR IN FRANKFURT

RENEWED speculation that a realignment of the European Monetary System (EMS) could come before the French elections in March has been stirred by Mr Alfred Herrhausen, co-chief executive of Deutsche Bank, West Germany's biggest bank.

Mr Herrhausen said he would "not be surprised" if such a realignment preceded the elections, with the D-mark being revalued upwards by some 5 to 7 per cent.

So far, most West German bankers—including those at the Deutsche—have felt that the current EMS parties would be held at least until March, above all because the French would not want to devalue for political reasons.

But Mr Herrhausen noted that the D-mark (along with the Dutch guilder) had again become the strongest EMS currency, and that the buoyant West German economic outlook was boosting revaluation expectations.

West Germany ran record trade and current account surpluses last year. It will again be well in the black on its external transactions this year, its real economic growth rate is likely to be more than 3 per cent and its inflation rate could sink below 2 per cent.

West German monetary officials agree that an EMS realignment is highly likely this year, although they argue there is no immediate, urgent need.

The D-mark has strengthened against the French franc since the end of 1984 by less than 1 per cent and against the Ecu by just over 2 per cent.

However, the West German currency has already jumped by around 28 per cent against the US dollar, and it is agreed that further strong capital flows out of the dollar and into D-marks will eventually strain the EMS.

Monetary officials argue that the key question is when the French will reach their "pain threshold"—the point at which they regard a realignment as essential for economic reasons, whatever the political considerations.

The other important point for the West Germans is that when it comes to a realignment there must be a "fair sharing out" of the burden. In other words, there is no question of the West Germans any Dutch realignment upwards while the others do virtually nothing.

The range of 5-7 per cent for a D-mark revaluation suggested by Mr Herrhausen is not regarded by monetary officials as out of the question.

But the key issue is in what kind of realignment package such a revaluation would be achieved.

Mr Malcolm Baldrige, Commerce Department Secretary, said that with recent declines in US interest rates and the dollar, the figures improve the outlook for the economy.

S. Yemen rebels take power

BY STEWART FLEMING IN WASHINGTON

Hardline Marxist forces opposed to South Yemen's President Ali Nasser Mohammed were last night reported to be in full control of Aden, the capital, after a two-week power struggle in which more than 10,000 people are thought to have died, reports Our Foreign Staff.

Radio Aden, which resumed normal broadcasting for the first time in more than a week, said the country's "new leaders" had appointed Prime Minister Haider Abubakar al-Attas as interim head of state. The President was said to have been stripped of all his official and party titles and faced trial on as yet unspecified charges.

US orders rise

BY STEWART FLEMING IN WASHINGTON

New orders for durable goods in the US rose an unexpectedly strong 4.3 per cent in December, reinforcing the views of those economists arguing that the economy could be expanding more strongly in the first quarter of 1986 than it did in the final quarter of last year, Stewart Fleming writes from Washington.

Mr Malcolm Baldrige, Commerce Department Secretary, said that with recent declines in US interest rates and the dollar, the figures improve the outlook for the economy.

Inflation down

BY STEWART FLEMING IN WASHINGTON

A moderate increase of 0.1 per cent in consumer prices in December brought Spain's inflation rate for last year close to the Government's revised target at 8.1 per cent, down from 9 per cent in 1984, David White reports from Madrid.

The result, helped by a cut in Government-controlled petrol prices, comes as a relief for the authorities ahead of a sharp acceleration expected in the January index, as a result of the introduction of value-added tax.

World debt higher

BY STEWART FLEMING IN WASHINGTON

International debts owed to the world's commercial banks rose to \$94.59bn at the end of June 1985 from a downward revised \$88.11bn at the end of 1984, according to a report from the Bank of International Settlements and Organisation for Economic Co-operation and Development.

Brazil continued to top the list of debtors, with a total of \$33.27bn owed to banks and non-bank trade creditors at the end of June from \$33.1bn at the end of 1984. Mexico retained second place with a total of \$7.71bn, down from \$7.64bn.

Danish deficit up

BY STEWART FLEMING IN WASHINGTON

Denmark suffered a trade deficit of Kr 3bn (\$277m) in December taking the deficit for the year to Kr 12.1bn compared with Kr 6.4bn in 1984. Central Bank governor Erik Hoffmeyer said this would take the current balance of payments deficit to about Kr 2.5bn, which compares with Kr 1.6bn in 1984 and a government forecast of Kr 2.2bn.

Reagan for Jakarta

BY STEWART FLEMING IN WASHINGTON

President Reagan is to visit Indonesia at the end of April for talks with President Suharto, Dr Mochtar Kusumatmadja, the Indonesian Foreign Minister said yesterday, Reuter reports from Jakarta.

Dr Mochtar said a State Department team was in Jakarta to work out a schedule for Mr Reagan to stop off at the tropical resort island of Bali before he attends a meeting in Tokyo of seven industrialised nations in early May.

Nigerian oil minister replaced

BY STEWART FLEMING IN WASHINGTON

Nigeria's Oil Minister, Mr Tam David-West, and Mr Kalu Kalu, Finance Minister, were replaced in a cabinet reshuffle yesterday, Reuter reports from Lagos.

Mr David-West changes jobs with the Mines and Power Minister, Mr Rilwanu Lukman, and Mr Kalu changes places with the National Planning Minister, Mr Chu Okonjwa, an official statement said.

The changes, which take effect from Monday, came against a background of plunging oil prices on world markets.

Athens in EEC reform warning

BY OUR FOREIGN STAFF

GREECE warned yesterday that it would not sign the EEC reform package agreed in Luxembourg last month unless Denmark also put its signature to the package.

As a result of domestic parliamentary opposition, the Danish Government has been seeking a renegotiation of the Luxembourg agreements. Having received a comprehensive refusal to renegotiate from other leading EEC members, Copenhagen yesterday announced that a national referendum on whether or not to accept the package will be held on February 27.

Mr Theodor Pangalos, the Greek Minister for EEC Affairs, said in Athens that Greece does not want a renegotiation of the Luxembourg agreement.

Britain offers talks on HK minorities

BY DAVID DODWELL IN HONG KONG

A TEAM of Hong Kong officials has been invited to London to provide fresh information on the Territory's non-Chinese minorities who are currently pressing for full British nationality rights, Mr Timothy Renton, Britain's Minister in charge of Hong Kong affairs, said yesterday at the end of a stormy 24-hour stopover in the territory.

The offer came in response to demands from political leaders in Hong Kong who have said that a refusal to grant full nationality to the 10,000 non-Chinese in Hong Kong who may become stateless once China regains sovereignty of the territory in 1997 "would add to the profound resentment felt by many of Britain's most loyal subjects who will believe their interests have been betrayed."

Mr Renton was visiting Hong Kong after five days of talks in Peking with Chinese leaders.

On the nationality issue, the British Minister insisted that hopes should not be raised too high, but that the minds of Britain's political leaders were not closed.

Britain offers talks on HK minorities

Some political economists in the state argue that Texas faces an uphill battle to diversify its economy.

Key sectors of high-tech industry in the US have been in a slump over the past year, adding an extra burden to a state economy already weighed down by the problems of the oil and agriculture sectors and the emerging difficulties of the real estate sector.

Governor White's emphasis on the education issue and a brighter future at least serve to distract attention from the state's economic problems.



vital for Texas's future. But as Mr Larry Yawn, director of the State Education Division's budget and planning office, says: "It was obvious that a key factor in attracting high-tech industry was the type of educational atmosphere that existed in the state."

With its emphasis on athletics and its long tradition of providing minimal public and social services at the state level, Texas had not been particularly sensitive to the need for education reforms during the '60s and '70s, a period which saw the nation's educational standards slump.

As the National Commission on Excellence in Education said in its 1983 report "The educational foundations of our society are being eroded by a rising tide of mediocrity."

But even as this report was issued, there were signs of change. In the past five years states as diverse as Arkansas, Kentucky, Florida and Connecticut have been passing new laws diminishing the independence of local school boards, tightening up the criteria needed to achieve graduation from high school and establishing stricter curriculum requirements.

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FINANCIAL TIMES Europe's Business Newspaper

# BRITAIN'S RESIGNATION

## Brittan's letter to the Prime Minister

My Dear Prime Minister,

Since your statement in the House yesterday it has become clear to me that I no longer command the full confidence of my colleagues.

In these circumstances, my continued membership of your Government would be a source of weakness rather than strength and, as I have explained to you, it is for this reason that I have tendered my resignation.

It has been an honour and a privilege to serve in your Government successively as Minister of State at the Home Office, as Chief Secretary to the Treasury, as Home Secretary and as Secretary of State for Trade and Industry.

I shall, of course, continue to give the Government my full support from the back benches.

It is above all vital, that the crucial work of national regeneration which we were all elected to achieve should continue unimpeded.

Yours,  
Leon  
(Leon Brittan)

# A loyal minister who learned some brutal lessons

MR LEON BRITTAN has resigned mainly because of his loyalty to Mrs Thatcher and because he appears to have lost the confidence of his parliamentary colleagues. Since Mrs Thatcher became Tory leader in 1979 he has been a faithful supporter and interpreter of her wishes, both as an Opposition spokesman and in various government jobs.

He has always been a respected rather than a widely liked figure, seen by fellow-Tory MPs as a clever administrator rather than a good mass communicator.

In some respects he has been like Sir John Simon, also a clever lawyer-politician, who filled a number of posts in governments of various colours from the 1910s to the 1940s.

However, within his own social and political group Mr Brittan, aged 46, has been a widely liked and popular figure with a sense of humour and a passion for cricket.

Since he was at Cambridge he has been seen as one of the outstanding members of his generation. This includes Mr Norman Fowler, Mr Kenneth Clarke and Mr John Gummer,

## Peter Riddell profiles the career of a politician lacking in judgment.

and a dozen other current Tory MPs.

His ambition to succeed in both the law and politics was evident early at Cambridge and then in the Bow Group. It has been apparent since then, perhaps too obviously for the tastes of many Tories.

No one has disputed his ability to master a brief and to argue a detailed case. For example, at the start of his troubles over Westland 10 days ago he had to put forward a lengthy, detailed explanation of the Financial Services Bill, which he did with aplomb.

In government he has always shown executive ability. He started in May 1979 as Minister of State at the Home Office, under Lord Whitelaw who, with longstanding friend Sir Geoffrey Howe, has been his main political supporter and mentor.

Then, in January, 1981, he was suddenly and unexpectedly promoted to the Cabinet as Chief Secretary to the Treasury, under Sir Geoffrey Howe.

There he proved to be a success in fighting the battle for detailed control of public spending in 1981-82, by contrast with his predecessor, Mr John Biffen, who was felt not to enjoy that post.

Mr Brittan was clearly over-joyed when he became Home Secretary after the June, 1983, general election. He had plenty of ideas for updating the criminal law system and his department produced many bills.

He has also been intensely loyal and honourable to Mrs Thatcher. Indeed it is clear throughout the Westland affair that he has been trying to act in the Government's interest as defined by the Prime Minister.

This applied even on January 6 when he was concerned to obtain Downing Street's consent before finally approving disclosure of the letter from Sir Patrick Mayhew, the Solicitor General, to Mr Michael Heseltine, the then Defence Secretary.



Leon Brittan: a sense of humour, and brutal lessons faced.

According to one friend, Mr Brittan has always treated Mrs Thatcher rather like the head of a barrister's chambers, to whom he should always defer. However, in the past fortnight he has had some brutal lessons

January 13, even though he argued that she should take the lead.

This led to the wholly unnecessary dispute about whether a letter from British Aerospace existed. In this Mr Brittan behaved in a somewhat pedantic, lawyer-like way in not compromising Mrs Thatcher.

Second, she has failed to offer him much public support at any time in the affair.

However, he has always lacked political sensibility and judgment. To many of his colleagues he has appeared too much the smooth lawyer, clever and bland. To the Opposition he has appeared to be merely the devious creation of the Prime Minister.

He has misread the House of Commons several times. These date to his days as Chief Secretary to the Treasury and, more recently, as Home Secretary, before he became Trade and Industry Secretary last September.

Indeed, his lack of political judgment in putting pressure on the BBC over the Real Lives television programme finally led

Mrs Thatcher to move him, against his wishes, from the Home Office to the Trade and Industry Department.

However, until the Westland crisis he had seemed to be getting some feel for that job and was beginning to develop an initiative on regional policy following a speech at the Tory Party conference when, to his surprise, he received a standing ovation.

As with so many other ministers forced to resign it has been lack of confidence among his colleagues at Westminster that has been the principal factor.

Throughout the Commons exchanges he has been accused, not only by Labour leaders but also by his own side, of lacking proper respect and understanding of the House.

In last week's debate Mr James Callaghan bluntly and cruelly suggested it would be better if he went back to the bar.

Other colleagues say that without a long apprenticeship as a backbencher he has not really developed a feel for the Commons, in which he has so much wanted to succeed.

# Swift turnover seen at the top of Trade and Industry

## Hazel Duffy looks at a department in search of a role.

Parkinson's relatively short tenure to effect the merger.

Today, it is the regulatory functions of the former Trade Department which have given rise to probably the most important piece of legislation to emerge since 1979 — the Financial Services Bill.

The framing of the bill, which is just about to go to the committee stage, owes something to Mr Brittan's legal and financial expertise, although the groundwork had been laid some time before his arrival in London's Victoria Street. Although his contribution was not strategic, he is credited with having taken a number of technical initiatives.

The progress of the 166-

clause bill is not expected to be impeded by Mr Brittan's departure — his ministers, Mr Michael Howard and Mr John Butcher, were scheduled to take it through committee with the aim of getting it on to the statute book by the summer.

Mr Brittan has also had a considerable impact on the DTI's determination to step up its prevention of fraud programme for which extra resources have been secured from the Treasury.

It is in these two areas that Mr Brittan had time to make some contribution, but it is his predecessor, Mr Tebbit, who most impressed his officials and the business world with his own energy and initiative.

By comparison Mr Brittan has had little time to make an impact, or even to make enemies, except with Mr Michael Heseltine the former Defence Secretary.

The legacy of the Westland affair, however, leaves far more questions unanswered about the reality of the Government's industrial policy than do

the figures for financial support. Mr Brittan's successor will need to determine the relationship of the DTI as a sponsor department to a large part of British industry.

Why did the DTI tell the Westland board to find its own solution to its financial problems in the summer, and then express surprise when British Aerospace did not turn to the department for guidance as to what it should do in relation to Westland? It is true that BAe receives a lot of launch money from government and that it is legitimate for the DTI to be interested in what it is doing, but the Westland affair suggests that the relationship between a company once owned by government and now private has not yet been worked out.

The reality is that the DTI still expects to have considerable involvement in its public sector corporations — British Steel, British Shipbuilders and the Post Office being the largest — certainly more than institutional shareholders have in their shareholdings, which is



Cecil Parkinson and Norman Tebbit, Leon Brittan's predecessors at the DTI



Norman Tebbit, Leon Brittan's predecessor at the DTI

where officials at least believe in a strong British presence. That may be a bad thing, but it would perhaps be more honest if ministers did not always seek to play down its role by saying that the Government does not have an industrial strategy.

The new Secretary of State will come to a department which is still trying to find its role, at least in industry, rather like Brittan, not knowing where to turn when it had lost the empire.

Officials insist that the merger of the two departments, however, has been largely successful in bringing together two important departments which logically should have never been separated. It makes sense, they say, to inject the trading interests of industry and the financial services into the same body. This was done by making the sponsoring divisions responsible for the whole of a sector's activity — exports, import costs, as well as the guidance of the companies within the sector.

# Civil Servants' ethical dilemma highlights issue of freedom of information

WHEN MRS THATCHER told the Commons on Thursday, in response to the leaking of the Solicitor-General's letter, "I should have said that a different way must be found of making the relevant facts known," it might have seemed that she was becoming converted to a Freedom of Information Act.

In reality that is unlikely to be so, writes Hazel Duffy. The freedom of information campaign does not draw the Conservative Party to its feet, though one Tory backbench supporter of the campaign recently said he thought practically all

the Cabinet would vote in favour of such an Act if the Whips were not on.

The events of the past week raise again the question of whether there is not some more open way of making government information available, and emphasise the difficulties that the present situation imposes on civil servants in relation to their duties to ministers.

The position of Miss Colette Bowe, the senior Department of Trade and Industry civil servant through whom, by implication, the letter was leaked, is very different from that of Mr

Clive Ponting, the Ministry of Defence official who leaked information on the Belgrano affair.

She was instructed to do it, and will not be prosecuted under the Official Secrets Act: Mr Ponting acted according to his conscience, and was prosecuted, but finally acquitted.

Both cases emphasise the vulnerability of civil servants in a process whereby the power to disclose information is in the hands of ministers, and the particularly difficult position in which civil servants are placed

when there is inter-departmental conflict.

For as long as ministers shoulder the responsibility, as they have done for Miss Bowe, the incident is not likely to have an immediate impact on morale in the Civil Service.

But it could well have a creeping effect at a time when the Civil Service finds it more difficult to attract talented recruits into its ranks.

In the past few years Whitehall has not been able to fill all its vacancies for administrative trainees. This is the pool from which the most senior

civil servants will be picked in good time.

The First Division Association, which represents most of the top-grade officials, says that pay is a major deterrent, and spurs the recently-introduced performance bonuses as a solution to the problem of business and some of the professions offering more financially rewarding prospects to the best graduates.

But the First Division Association is also very concerned about the "ethical dilemmas" in which civil servants occasionally find themselves, a

problem which it feels the code of ethics issued by Sir Robert Armstrong, head of the Civil Service, shortly after the Ponting affair, fails to resolve.

Mr John Ward, general secretary of the association, which has drawn up its own code, told the Commons Select Committee investigating the duties and responsibilities of civil servants in relation to ministers: "What we are trying to do is say what it is legitimate for the civil servants to be expected to do and what procedures they should adopt if

they are asked to go beyond what is legitimate."

Mr Edward Heath, giving evidence to the committee this week, blamed "constant attacks on the Civil Service by the sections of the media, and the House of Commons," as responsible for some of the morale problem and the constant reductions in the strength of the Civil Service while its responsibilities remain the same.

He also defended the Civil Service as far and away the best in the world.

Asked whether he was in favour of a Freedom of Information Act, or at least the repeal of Section 2 of the Official Secrets Act, Mr Heath said that he would like to see what would be taking its place before commenting.

Whatever the conclusions of the committee, which is expected to report in the late spring, there is no doubt that strains are showing in areas of the higher echelons which will not be eased by the Westland spin-off.

# UK NEWS

## S Yorkshire plans to cut bus jobs failing subsidy rise

BY ANDREW FISHER

SOUTH YORKSHIRE, whose cheap fares policy is threatened by local government changes, will make up to 1,600 of its bus staff redundant unless the Government agrees to pay a further £30m in subsidies.

The redundancies, from a workforce of 5,200, will result from the abolition of South Yorkshire County Council in April. The council's heavily subsidised local bus fares are the lowest in the country.

The local passenger transport executive has limited the statutory 90-day notice to be given to trade unions, mainly the Transport and General Workers. But no individuals had received redundancy notices.

It hoped to keep compulsory job losses to a minimum through voluntary redundancies and early retirement.

Job losses would cover bus crews, inspectors, office staff, and maintenance workers, the executive said. After the council's abolition fares could rise by up to 225 per cent, and services to be cut by 10 per cent.

The cost of the South Yorkshire buses this financial year is about £88m. But the Government has said the subsidy in 1986-87 will be £98m, increased from the original £50m.

The transport executive said it had asked the Government for more money to cover next year's operating costs. The subsidy offered by the Government was about £30m less than the amount the executive required to keep fares low and maintain services.

Under the low-fares policy which has kept charges

## £2.8m boost for Mirror group titles

By Helen Hague

MR ROBERT MAXWELL'S Mirror Group Newspapers is spending £2.8m on a promotion and marketing campaign aimed at boosting circulation of its three national titles. The Mirror, Sunday Mirror and Sunday People, and was prosecuted, but finally acquitted.

The symbolic start of the MAN Roland press from West Germany was achieved by Mr Kevin Clark, who joined the company only four days ago and would only say he was in his early twenties. He has served a five-year apprenticeship as a member of the National Graphical Association, the print union whose clash with Mr Shah at Warrington led to the creation of Today.

The dummy launch of the Fleet Street revolution took place in a building like an aircraft hangar at Poyle industrial

## Shah gives his newspaper a dummy run

BY RAYMOND SNODDY

JUST AS the youngest apprentice always launches West German ships so Mr Eddy Shah, chairman of News (UK), stepped aside yesterday and asked his new employees to push the button on the press for his colour tabloid newspaper, Today.

The symbolic start of the MAN Roland press from West Germany was achieved by Mr Kevin Clark, who joined the company only four days ago and would only say he was in his early twenties. He has served a five-year apprenticeship as a member of the National Graphical Association, the print union whose clash with Mr Shah at Warrington led to the creation of Today.

The dummy launch of the Fleet Street revolution took place in a building like an aircraft hangar at Poyle industrial

estate, in the no-man's-land between Heathrow Airport and Slough.

In a brief ceremony, Mr Shah said he had done everything up to now he had promised to do and Today was on schedule for launch in earnest on March 4. Already £7.4m in advertising had been booked, net of agency commission, and he was confident the £10m launch target would be met.

The extent of Mr Shah's revolution could be seen in the number who manned the presses and where they came from. A total of 32 men, in two shifts, will operate the two presses, seven days a week. The plant, it is claimed, can produce 750,000 copies overnight.

Mr David Blackman, for one, is an experienced printer and

has come from the Farnham Herald. He will continue to pay his NGA dues.

But, until four weeks ago, Mr Philip Weston was a clerical officer with nearby Hounslow Borough Council. Now he is an assistant on the £2m presses and starting to take an interest in the share options available to all News (UK) employees.

A colour special on the US Superbowl football game was produced to show what the presses could do. The Poyle plant will be joined in the next few weeks by further plants at Birmingham and Manchester. One is also being built at Rotherham and Mr Shah is thinking of a plant for Bristol or Newport.

He refused to regard the ceremony yesterday as of historic interest. "There are only three days I am interested

in — the day I thought of the idea, the day I raised the money and March 5, when I hope it will be a success," said Mr Shah, having pulled himself away from the television lights.

"Fleet Street has to sort itself out and quickly. We are producing in full colour and, for the first time, a newspaper will be competing with TV and magazines.

"If you had a choice, would you buy a 1940s car that is 40 years out of date?"

He denied that his project was responsible for the troubles at Mr Rupert Murdoch's News International group, but added, "It is clear that we have acted as something of a catalyst." His advice to Mr Murdoch was to see any dispute through to the end.

The ceremony at the warehouse was attended by one policeman. No barred wire was in evidence.

## Move to cut violence on TV screens

By Ivor Owen

A PRIVATE member's Bill aimed at reducing the amount of sex and violence shown in television programmes was given a Second Reading in the Commons yesterday by a majority of 130.

The Osborne Publications (Protection of Children etc) (Amendment) Bill also seeks to ban sexually explicit magazines from newsagents and bookshops.

While supporting the Second Reading of the Bill, Mr David Mellor, Under-Secretary at the Home Office, urged that several major changes should be considered during the committee stage.

He suggested that assurances by the BBC and the independent television companies that the existing guidelines on the showing of programmes containing sex and violence would be more vigorously enforced might be sufficient to persuade MPs that legislative action in this area was unnecessary.

EEC compensation for job losses

THE European Commission announced grants totalling £3.2m from the European Coal and Steel Community budget to compensate 1,614 workers made redundant following plant closures.

A total £4.6m has been allocated to compensate workers in British Steel plants in Hartlepool and Tinsley Park, Sheffield.

In addition £838,000 has been allotted to 121 workers made redundant or displaced in coal plants belonging to the National Coal Board and National Smokeless Fuels in Rotherham, South Yorkshire, and in Gateshead, Tyne and Wear.

## Berrill will draw £110,000 as head of SIB

BY NICK BUNKER

SIR KENNETH BERRILL is to be paid an annual salary of £110,000 as first chairman of the Securities and Investments Review Staff, the Government's "think-tank."

Yesterday's announcement means that his salary will be considerably greater than that of Mr Robin Leigh-Pemberton, Governor of the Bank of England, who determines pay levels of the SIB's members.

Mr Leigh-Pemberton received £85,096 in 1984-85, according to the Bank's most recent annual report. By contrast Sir Robert Armstrong, head of the Home Civil Service, is paid £83,125, though this will rise to £75,000 from March.

In City terms Sir Kenneth's salary will not be exceptional. Mr Ian Hay Davidson, chief executive of Lloyd's, is paid

£120,000 a year.

A survey by Incomes Data Services, the research organisation, showed last year that senior partners in stockbroking firms can receive basic salaries of £100,000, plus shares of the firm's earnings, which raise their annual income to £1m in a good year.

The Bank also said that the SIB's part-time deputy chairman would receive an annual salary of £12,500. The post is held by Sir Martin Jacobson, vice-chairman of Kleinwort Benson, the merchant bank.

It is expected that later this year, with the agreement of the Department of Trade and Industry, the SIB will merge with the Marketing of Investments Board Organising Committee, the parallel body which has been drawing up draft

rules for investor protection alongside the SIB.

The Government has already offered Mr Mark Weinberg, Miboc's chairman, the post of joint deputy chairman with Sir Martin of the merged body.

Part-time board members of the SIB will receive £8,000 a year, the Bank said.

The SIB's official position is that rewards for board members and officials should be pitched to attract professional people of the calibre required in regulating the financial services.

Swissair plans

SWISSAIR is to introduce direct services between Zurich and Birmingham on March 30. The Swiss airline already flies to Heathrow and Manchester.

HOUSING AND PLANNING BILL

Direct aid plan for inner cities

BY ROBIN FAULEY

THE GOVERNMENT yesterday published a Bill containing measures to enable it to give financial aid directly to give generative projects in the inner cities.

The Housing and Planning Bill, which also contains greater incentives for tenants to buy council flats, could let the Government circumvent local authorities and put cash into large projects in the most deprived urban areas.

This could be done through a new Urban Regeneration Grant, in the form of grants, loans or guarantees to private developers for inner-city projects. This would be like the present Urban Development Grants, which go via local authorities to joint public sector-private sector projects.

Various Labour-controlled councils which administer some of the most deprived areas, have not been making full use of these grants because of their unwillingness to involve the private sector.

The Government has decided to apply the aid directly and define more closely the worst areas of deprivation.

Mr Kenneth Baker, the Environment Secretary, said

yesterday the new grant would be applied "in our hardest-pressed towns and cities, to areas which may vary in size from five to 100 acres.

"I now want to see a longer-term commitment by private developers and financial institutions, working together to tackle whole areas, not just individual projects," he said, reflecting a further step by the Government towards the US approach to such problems.

The cost could be £20m in a full year and, in the first year at least, this would have to come from the existing Urban Programme, already cut to £317m in 1986-87 from £338m in 1985-1986. This means some of the less deprived areas that qualify for some urban aid would lose it in 1986-87. Mr Baker is hoping to persuade the Treasury to provide new money for the new grants in later years.

The Bill also aims to let new simplified planning zones be designated in the inner cities. Much of the present planning bureaucracy would be eliminated within these areas so that projects might be undertaken more quickly.

The key proposal in the



Kenneth Baker: Seeking to enhance the private role

housing section of the Bill is an attempt to encourage more people to buy their council flats.

The Government has succeeded in encouraging many people to buy council houses on modern estates, but it has proved much harder to get

people to buy houses and flats elsewhere.

To try to increase sales of flats, the Bill proposes to raise the maximum discount on flats to 42 per cent, plus 1 per cent for each complete year of occupation after the two-year qualifying period, up to a maximum 70 per cent.

The Bill proposes new limits on the service and repairs charges payable by flat-buyers in the first five years after purchase. It also aims to provide a new right for flat-buyers to a loan to cover service charges. If the landlord were a housing association, the loan would be an advance from the Housing Corporation. In other cases, the loan would be in the form of a right to leave the whole or part of the service charge outstanding.

The powers of local authorities to hand over the management of housing estates to organisations approved by the Environment Secretary would be extended by the Bill. This is a further step in the Government's strategy to achieve more effective and efficient management of estates and repairs through privatisation and competitive tendering.

Lucas Electrical to cut 340 jobs

By Arthur Smith, Midlands Correspondent

LUCAS ELECTRICAL, the loss-making motor components company, yesterday announced plans to cut 340 jobs at its Nere Green factory, Birmingham. Employees were told that the alternative to rationalisation and to the introduction of new work practices would be closure of the plant with the loss of all 560 jobs.

Union leaders feared yesterday's announcement marked only the first of a series of redundancies in the electrical subsidiary of Lucas Industries. Brokers estimate Lucas Electrical lost £25m on £360m turnover in the year to last July.

The company has made clear that action will be taken to restore profitability. Mr Godfrey Messervey, chairman of Lucas Industries, has said all options are open: "We could be injecting money into companies selling companies or closing them down."

The electrical division, supplying products ranging from starter-motors to batteries, has been hit by the decline of the UK vehicle-assembly industry. The workforce has been almost halved, to 12,000, over the past five years. Last year, 900 redundancies were announced.

The Nere Green factory makes parts for electronic systems. The planned changes have been drawn up in consultation with the trade unions, with the aim of returning to profit after five years of losses. The factory was projected to lose about £3m in this financial year.

Lucas believes that most of the redundancies, which will be phased over the next 18 months, can be achieved through volunteers and early retirement. Management is seeking all workers' full commitment to the survival plan before putting it into effect.

Royal Ordnance likely to axe 700 jobs as orders decline

BY LYNTON McLAIN

ROYAL ORDNANCE is likely to announce about 700 job losses at its munitions factories at Birtley, near Gateshead, and Chorley, Lancashire.

These latest losses, after 1,819 jobs lost in November 1984 at four Royal Ordnance factories, follow a 40 per cent fall in its ammunition manufacturing workload for 1986-87, compared with 1985-86.

This net fall stems partly from a lack of orders by the Defence Ministry and a British army order having gone to Belgium.

Job losses at Birtley and Chorley will include compulsory redundancies. The announcement is expected to come on Thursday, Mr Bill Meakin, the deputy chairman and chief executive of Royal Ordnance, said yesterday.

The company's management is worried about the loss of some of its traditional business to continental competitors only five months before its privatisation.

As the UK's main supplier of munitions to the British armed forces, it would have expected the contract that went

to Belgium almost automatically before competitive tendering was introduced by the Ministry.

PRB, of Belgium, won a contract last summer to supply an undisclosed volume of 78 mm shells to the British army for use in light tanks. The effect of the loss of this contract is starting to be felt now at Birtley and Chorley.

The group may also be vulnerable to setbacks over orders for the UK armed forces for 105 mm light howitzer shells and 7.62 mm bullets for self-loading rifles and machine-guns.

The Ministry has still to decide which company should win those contracts. "Orders for ammunition have gone to Europe as a result of the MoD's competitive tendering policy. We know it is happening and we are worried," Mr Bryan Basset, chairman of the Royal Ordnance, said.

Mr Bill Meakin, the deputy chairman and chief executive, said: "We do recognise that we have to continue to improve our performance. But as a commercial company, we have to respond to the workload."

Birtley specialises in empty shell and cartridge cases and in bodies for rocket motors. Chorley is the headquarters of RO's ammunition division.

Other, more modest job losses at other Royal Ordnance factories — including the small-arms ammunition factory at Radway Green, Crewe, and the main battle tank factory at Leeds — are also likely before the privatisation in the summer, unless the company were to win more orders soon.

No final figures for job losses at Birtley and Chorley have been decided but Birtley is expected to be the worse affected, with about 500 likely to go. Chorley is expected to lose about 200.

The Birtley and Chorley factories are in areas of high unemployment. In November 1984, Birtley lost 595 jobs out of 1,650 and would be left with only about 530 employees through the latest expected cuts.

Chorley lost 477 jobs out of 2,300 in 1984 and would have only about 1,600 staff under the latest proposals.

Courtaulds to re-equip spinning mill

By Anthony Moreton

COURTAULDS IS to spend £4.5m over the next two years in re-equipping its Maple No 2 factory at Oldham, Greater Manchester, with new spinning plant.

Part of the equipment being put in will include robotic collection and removal systems making the mill one of the most up-to-date in the world.

Mr Mike Parker, managing director of Courtaulds Northern Spinning Division, said yesterday that productivity would more than double as a result of the investment.

Courtaulds employs about 500 at the two spinning mills at Oldham. The re-equipment is expected to cut this to about 400. Mr Parker forecasts that the drop would be achieved by natural wastage and transferring some employees to other plants in the area.

He said there would be further spending on updating mills, though no further announcement is expected this year.

Courtaulds is the main UK producer of cotton-type yarns, with more than half the industry's capacity.

GM takes over 19% of car sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS, the Vauxhall-Opel group, has made a strong start to 1985 and after 20 days of January the car market share was 19.7 per cent, close to the 20 per cent penetration it aims to achieve for the year as a whole.

By contrast, neither Ford, the market leader, nor BL, the state-owned group, will be satisfied with their performances so far. Ford ended the first 20 days with 24.48 per cent and BL, which includes Austin Rover, with 15.95 per cent. For 1985 as a whole, Ford's

share was 26.5 per cent and BL's 17.9 per cent.

January is important for the car makers because it is a month of strong demand, particularly among private buyers.

According to the Society of Motor Manufacturers and Traders, car sales, which were depressed in the early days of January by poor weather conditions in many parts of the UK, recovered strongly. After 20 days of the month they were 3.6 per cent ahead of the comparative period of last year at 105,519.

However, the rate of sales will have to increase substantially if this month is to match the record January performance in 1983, when 165,436 new cars were registered.

In the first 20 days, the total was down from 59.59 per cent to 56.41 per cent, of which the Japanese accounted for 7.07 per cent, up from 6.3 per cent.

Volkswagen-Audi also performed strongly with a 7.7 per cent share, against 8.7 per cent for the whole of 1984.

Home computer sales 'to rise by 18%'

BY JASON CRISP

THE DEPRESSED home computer market will grow by 18 per cent to sales of £488m this year, according to a report by Wood Mackenzie, the stockbrokers. Substantially fewer computers will be sold, but they will be more expensive models says the report.

Wood Mackenzie estimates that the average value of home computers sold this year will be £350, which is some 75 per cent higher than last year.

The reasons for this jump in-

clude a sharp fall in sales of basic first generation home computers, many of which were sold last year at knock-down prices as a result of cash crises at many suppliers.

Another reason is the arrival of much more expensive second generation products like Amstrad's word processing PCW8556, which costs nearly £460, and the powerful models from Commodore and Atari.

The number of home computers bought in the UK this year will drop to 750,000 com-

pared with twice that number in 1983 and 1.1m last year.

The report predicts the market will grow another 13 per cent in 1987 to £550 and will mark the emergence of MSX, the Japanese common standard for home computers which so far has failed to take off.

Wood Mackenzie says the MSX companies see their mass market developing, not necessarily into more powerful machinery, but from the increasing use of microcomputers inside television sets. "With more and

Bicycle sales down by 25% last year

By Arthur Smith, Midlands Correspondent

BICYCLE SALES fell by more than 25 per cent last year, causing redundancies and short time working throughout the industry.

Mr Michael Pashley, president of the Bicycle Association of Great Britain, reporting the "sombre" figures to the associations annual meeting in Coventry said: "The message is clear. We have to stop this decline."

Sales had been hit by "the appalling weather" and the passing of the craze for BMX cycles.

Provisional Bicycle Association estimates suggest deliveries in the UK fell from just over 2m in 1984 to less than 1.5m, and exports dropped from 260,000 to 208,000.

Mr Pashley said imports fell more sharply, at 35 per cent from 840,000 to 535,000. Cycle companies expect a slight demand improvement this year.

Mr Pashley complained that conventional cycles were sold at "ridiculous, almost suicidal, low prices."

Prices of industrial fuels cut by BP

BY DOMINIC LAWSON

BRITISH PETROLEUM yesterday launched the second oil industry wave of industrial fuel price cuts in a fortnight as a direct reaction to the crude oil price fall.

The reductions range from a cut of 1.3p per gallon for Kerosene to a cut of 4.1p per gallon for gas oil. Other oil companies are certain to follow BP's reductions, which come into effect from the start of business on Monday.

So far, the oil companies have been unwilling to cut the official scheduled retail petrol price, which still stands at 198.7p a gallon. But on the

forecourts, prices have slipped down steadily in the wake of the falling price of crude oil on the spot market. The average retail petrol price is now about 187p, with the price falling to as low as 179p in areas such as Greater Manchester.

On the spot market the price of North Sea oil showed some resistance after the recent fall, which culminated on Thursday when three cargoes of Brent — the main North Sea crude — were bought at a price of \$17 a barrel. Yesterday Brent was trading at between \$18.8 and \$19 a barrel for March delivery.

Daily value of N. Sea oil output fell 16% last month

BY DOMINIC LAWSON

THE DAILY value of UK-North Sea oil output fell last month by more than 16 per cent, to under £44m, according to figures issued yesterday by the Royal Bank of Scotland.

The reasons were an average drop of \$3 a barrel in the North Sea oil price; a slight rise in the value of sterling against the dollar, the currency in which oil is sold; and, lower production.

Following a collapse in the oil price this month, the bank expects a further sharp fall in the value of UK North Sea revenues for January.

UK North Sea oil output last month was 8.5 per cent lower than that recorded in the previous December.

The drop, to 2.5m barrels a day, was largely because of a fall in output from BP's Forties oilfield, which was operating at 60 per cent capacity.

BP had to throttle back, to keep its Forties output within

the yearly maximum previously agreed with the Energy Department. BP is negotiating with the department to obtain an increase in its Forties production allowance for this year.

The bank claims that at current sterling oil prices, the Government's prediction, made at the time of the last Budget, that the 1986-87 fiscal year would produce £11.5bn in oil revenues, will have to be revised downwards by between £3bn and £4.5bn.

Yesterday, the Treasury said the effects of a lower oil price on inflation and output generally in the UK were, if anything, slightly beneficial.

The bank, however, argued yesterday that the UK's interests lay in "stable oil prices at a reasonably high level. A degree of co-operation with the Opec producers must seem an increasingly attractive solution."

The Government, however, is implicitly opposed to overt co-operation with Opec.

Gallery extension decision

By Gillian Darley

MR ROBERT VENTURI, an American architect, has been appointed to design an extension to the National Gallery.

The decision by the Gallery's trustees to appoint Mr Venturi ends a long period of uncertainty.

A previous design by the architect, Richard Burtin & Korolik, who won a competition held in 1982, was attacked by the Prince of Wales as "a monstrous carbuncle on the face of a much-loved friend."

After a public inquiry Mr Patrick Jenkin, then Environment Secretary, refused planning permission for the gallery combined with offices and Trafalgar House, the developer, pulled out.

Last April, the Sainsbury brothers, Sir John, Simon and Timothy, offered the trustees a new building for the sole use of the Gallery.

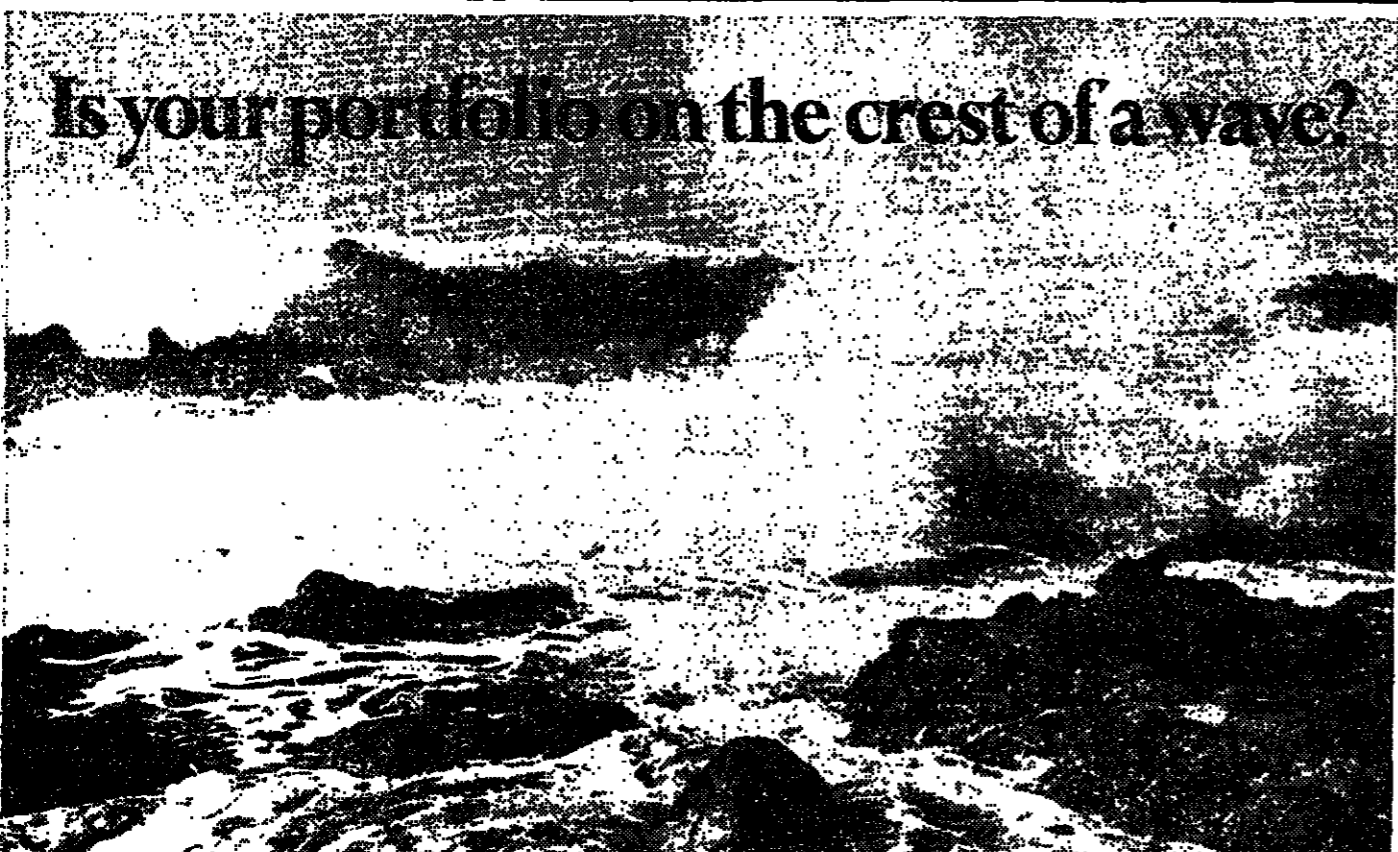
The planned extension, about 20,000 sq ft, will include a lecture theatre, shop and restaurant, as well as permanent picture galleries to house the early Renaissance collection.

At this stage there are no drawings, plans or models to be seen, since according to Mr Jacob Rothschild, chairman of the trustees, "we were looking not for a building design, but for an architect."

Mr Venturi won the commission after a three-month period in which the Hampton site-selection committee interviewed six practices and visited their buildings.

Other practices in the list were four British firms, James Stirling; Piers Gough; Jeremy Dixon and BDP; and Colquhoun and Miller; and another US practice, Henry Cobb of IM Pei.

Mr Venturi will spend a year working on detailed proposals in consultation with the client. The scheme is then due to be presented to the public. Mr Venturi will work in collaboration with British consultants,



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ECONOMIC DIARY

TOMORROW: First round of Portuguese presidential elections. Mr Shimon Peres, Israeli Prime Minister, to visit Germany (until January 28). MONDAY: Commons debates leaked Westland letter. FT Conferences hold "City seminar" at Skinner's Hall, ECA. EEC Foreign Affairs Council meets in Brussels (until January 28). Lord Young, Secretary of State for Employment, makes statement on your training scheme. TUESDAY: Balance of payments current account and overseas trade figures (December). CBI quarterly trends survey (January). President Reagan gives State of the Union address to Congress. European disarmament conference resumes in Stockholm. WEDNESDAY: New construction orders (November). EEC Economic and Social Committee in plenary session in Brussels (until January '86). Irish budget. Labour Party national executive meets. News International expected to meet EETPU to continue negotiations on Wapping plant. Council of Europe parliamentary assembly debates Anglo-Irish agreement in Strasbourg. THURSDAY: Energy trends (November). Bricks and cement production and deliveries (fourth quarter provisional). Detailed analysis of employment, unemployment, earnings, prices and other indicators. New vehicle registrations (December). First Marwick hold "conference Singapore futures" at Commonwealth Institute, W8. FRIDAY: Car and commercial vehicle production (December final). Mr Neil Kinnock, Leader of the Opposition, opens Labour Party local government conference in Norwich (until February 2).

YOUR ATTENTION PLEASE

Advertisement for STAR & GARTER HOME CARE, providing services for disabled men and women of all three services. Includes contact information and a small illustration.

Advertisement for SPA BOND, a financial product with a 10-50% = 15-00% return. Includes details about interest and terms.

Advertisement for a DISPOSAL AUCTION of Persian Carpets. Includes details about the auction, location at Hilton International Hotel, and contact information.

# UK NEWS-LABOUR

## John Lloyd on the News International storm Crunch near as Murdoch and unions brace for war

"MR MURDOCH may have his plans," Ms Brenda Dean, the general secretary of the print union, Sogat '82, told a meeting yesterday of her branch officials called in from all over the country. "We have ours."

Both sides are making plans for a strike which both see as inevitable. These plans are marked by audacity on the side of Mr Rupert Murdoch's News International group, and caution on the side of the union—at least officially.

Mr Murdoch is determined to print and distribute his four titles—the Sun, The Times, the News of the World and the Sunday Times—from his new plant in East London. He is also moving rapidly to ensure that the plant will be a self-contained newspaper operation, able to produce all four of the group's UK national newspapers.

During the past two days, journalists from the Sun and The Sunday Times have been starting to turn on an A-TeX system which would allow them to type their copy and to set it in a form ready for printing, thus cutting out the intermediate setting normally done by members of the National Graphical Association. The plant, at Wapping, is believed to have a fully equipped electronic newsroom with A-TeX terminals.

The handful of Sun and Sunday Times journalists who have volunteered to be trained on the new system have been working on terminals at 67 Brook Street in London—an office belonging to the Robert Stigwood Organisation. About 16 terminals allow journalists to teach themselves typesetting.

The editors, Mr Kelvin MacKenzie of the Sun and Mr Andrew Neil of The Sunday Times, had called for volunteers.

Journalists at The Times and the Sun have been told they will be asked, possibly within the next few days, to move to Wapping. According to some, there has been at least an implied threat that, if they were not to move—and the National Union of Journalists has instructed them not to—they would face dismissal.

About 500 workers, members of the electricians' union, the GEPFU, and others, have already been trained to print the paper and are at work in the plant. If enough jour-



Brenda Dean: Tactics aimed to win public support.

nalists were to move to Wapping, Mr Murdoch would have secured his base.

On the unions' side, the tactics as laid out by Ms Dean to her officials yesterday are aimed principally to gain and keep trade union and public support. No other national newspapers are to be hit; guidelines are to be issued to pickets enjoying peaceful, non-intimidatory action; all action is to be strongly controlled from national level; no repeat of the miners' picket lines is to be allowed.

That, at any rate, is the intention. Print union officials admit that many of their more militant members may be difficult to control.

Last night, it appeared likely that at least some of the News International titles—the Sun at least—would be hit. This appears to be an early example of militant printers jumping the gun on their national leaders' expressed choice — to delay action until tonight so as to hit the Sunday papers.

Rather than rely on mass force, the print unions are seeking to use their industrial muscle to stop the distribution of News International papers. The branch officials have been told that, once a strike is on, all News International titles are to be "blacked". This means that Sogat drivers and warehouse workers up and down the country would discriminate between News International titles, which they would not handle, and other national newspapers, which they would.

The principal union here is Sogat 82, which largely controls the distribution system. Its officials have accepted that its members' actions would be in breach of the Employment Act and would render the union's funds liable to sequestration. They have told the branch officials not to try to conceal their funds — as miners' leaders did — because the pit strike showed that such concealment is futile and incurs extra expense for the union.

Helen Hague writes: Mr Murdoch has an alternative distribution system which could take the place of the usual rail and road method. TNT, the road transport group, has told News International it is willing and able to distribute all newspapers produced at Wapping and at the group's Glasgow plant.

A division of TNT, known as the 800 division, is earmarked for this distribution. Mr Alan Jones, TNT (UK)'s general manager, said a management team had been mobilised "to organise the effective distribution of all output from Wapping and Glasgow."

TNT has a closed-shop agreement with the Transport and General Workers Union. This week an extra 200 drivers have been recruited to distribute the Murdoch titles—and an extra 570 are due to be recruited in the next few days.

A long-term contract for the News International titles would create about 2,000 extra jobs. About 800 vehicles will be needed for national distribution, said Mr Jones.

It is understood that the TGWU negotiating committee at TNT has agreed that the News International work may be undertaken, but with a recommendation that drivers shall not cross picket lines. Negotiators were reporting back to shop stewards at more than 30 depots yesterday.

Mr Jones said he believed the work would be carried out. He said union agreement with the members of the TNT negotiating team who are not full-time officials to handle output from the two plants was signed on Thursday.

At national level, the print unions have called for support from the TGWU, Aslef and the rail unions. In the event of a dispute at News International,

## Gartcosh workers end fight on closure

By Mark Meredith, Scottish Correspondent

WORKERS AT Gartcosh steel-rolling mill near Glasgow, Scotland, yesterday voted at a mass meeting to end their fight against closure of the mill and to negotiate with British Steel on severance terms.

The steel unions vowed to continue their campaign to save the Ravenscraig works, 12 miles from Gartcosh, which employs more than 4,000. Ravenscraig has a three-year reprieve from the corporation and will ship its steel for finishing to BSC's Shotton works in Wales.

Mr Tommy Brennan, Ravenscraig union convener, said after the Gartcosh vote that there was a serious threat to Ravenscraig. "But let us not think we will ever give up the struggle," he said.

Last year the corporation announced it wanted to close Gartcosh on March 31 to help stem losses. The steel unions opposed closures, saying it would lead to eventual closure of the Ravenscraig strip-works, one-third of the output of which was supplied to Gartcosh.

More than 700 jobs will go to Gartcosh but the corporation is trying to find openings at other steel plants. Last month a special Scottish edition of Steel News, the corporation's house journal, said that as many as 400 employees at both Ravenscraig and Gartcosh could be eligible for early retirement, creating openings for younger workers.

## Hammond's fight for GCHQ trade unions wins wide support

BY DAVID BRINDLE, LABOUR STAFF

SEVERAL thousand trade unionists are expected to march through Cheltenham today to mark the second anniversary of the announcement of a ban on union membership at the Government Communications Headquarters (GCHQ).

They are due to be addressed by, among others, the union leader probably most responsible for the Government's failure to act against the remaining 70 GCHQ trade union members. He is Mr Eric Hammond, general secretary of the EEPFU, the electricians' union.

Mr Hammond is a labour movement black sheep, because of his union's "no strike" deals and is likely to receive a mixed reception at today's rally in Cheltenham's genteel Montpellier Gardens. However, the GCHQ issue is one on which the movement owes him a debt.

For it seems probable that it is Mr Hammond's overt and deliberate contingency planning for protest strikes in power stations which has deterred ministers from pressing home the GCHQ ban.

The fact that 70 trade unionists remain in the Cheltenham and GCHQ outstations is embarrassment enough for the Government. Doubtful embarrassing is the fact that no action has followed last August's dismissal threat for the dozen or so staff who rejoined unions after taking the £1,000 paid to each GCHQ worker who accepted the ban.

Within weeks, the TUC conference had pledged a "day of action" if any GCHQ trade

unionist was dismissed and Mr Hammond had given his strong personal support for a strike. Nothing has been heard from the Government since then.

Even a move to ease out two radio operator trade unionists at 60, rather than at the official retirement age of 62, was abandoned by the GCHQ management when the Civil Service union began to stir up a fuss.

The EEPFU has found a useful issue to bolster its TUC image, and there is also little doubt about Mr Hammond's personal commitment. He has been to Cheltenham and impressed a sceptical meeting of the defiant trade unionists.

What is more, the electricians' stance has obliged the other power workers' unions to match their commitment. None of them can afford to be outdone for militancy by the EEPFU, which is infamous in TUC circles.

The 70 GCHQ unionists soldier on, planning a propaganda stall in the Cheltenham intelligence centre's canteen and vying with the GCHQ staff federation set up at the Government's instigation after the ban.

After initially poor support, the federation claims slow but steady growth to more than 2,000 of the 7,000 staff eligible for membership. It is also on the brink of a notable success. The Treasury has indicated it will decide whether to refer to the federation's claim for a special £1,500 allowance for each GCHQ worker.

## Rig construction workers' action threat

BY SUSAN MITCHELL

MORE THAN 8,000 construction workers in the North Sea oil industry are threatening industrial action unless an employers' association agreement covering 3,500 of them is extended to give greater stability to all construction workers on oil rigs.

The agreement, which covers wages and conditions, only applies to those carrying out initial construction work on oil rigs off the Scottish coast.

After a year only electricians are covered by a post-construction agreement.

Talks on a new deal for this year broke down in London when leaders from the ETPU electricians' union, the Amalgamated Union of Engineering Workers, the General and Municipal Workers Union and the Sheet Metal Workers Union refused to negotiate without a guarantee that any agreement would cover all their members offshore.

The employers refused to give such a commitment so union leaders are preparing to ballot their members on whether to take industrial action. Meetings are to be held in Glasgow and Aberdeen to test union members' views.

An extension of the employers' agreement would cover a further 4,500 workers and impose some stability in wages which presently vary between £10,000 and £20,000 a year.

# APPOINTMENTS

## Reorganisation at Alex Stenhouse

ALEXANDER STENHOUSE LIMITED has made appointments to the executive board of Alexander Stenhouse UK. Mr John D. London, deputy chairman and chief executive of Alexander Stenhouse Limited, has been named chairman and chief executive of Alexander Stenhouse UK, with Mr Ronald Forrest, who also sits on the Alexander Stenhouse Limited executive board, named as chief operating officer of Alexander Stenhouse UK. The other members appointed to the executive board of Alexander Stenhouse UK are Mr Ian Falconer, financial director and Mr Michael J. Barrett, divisional director responsible for central insurance services. Mr Roger J. Surman, northern divisional director, Mr Ian S. Croft, Scottish divisional director, Mr Kenneth J. Davis, divisional director for the City and Home Counties, and Mr Geoffrey S. Whitehead, divisional director for the south and west, have also been appointed to the executive board. Mr Mike Raybould is appointed company secretary. Mr Iain E. F. Hope is appointed deputy chairman with responsibility for international business production.

Mr John Michael Middlemas has been appointed managing director of TRANSATLANTIC INSURANCE HOLDINGS. He will continue to be the executive director of the Liberty Life Group responsible for international operations but he will relocate to London.

Mr Bill Barnes has been appointed a director of Turner & Newall subsidiary STOREYS DECORATIVE PRODUCTS. He remains responsible for sales and marketing of Storeys' consumer products.

New chairmen have been appointed at two of TAYLOR WOODROW'S regional construction companies. Mr R. G. (Bob) Smith has been appointed chairman of Taylor Woodrow Construction (Northern) following the retirement of Mr R. H. (Dick) England. Mr R. (Klaus) van der Lee has become chairman of Taylor Woodrow Construction (Scotland) in succession to Mr G. N. Davies, who has relinquished the post. Mr van der Lee has also been appointed a director of Taylor Woodrow Construction (Northern), while Mr M. (Mike) Laycock has joined the board of Taylor Woodrow Construction (Scotland). Mr Smith was made a parent board director of Taylor Woodrow in July 1985. Mr van der Lee was appointed managing director of Taylor Woodrow Construction (Northern), while becoming deputy chairman in 1981. Mr Laycock joined Taylor Woodrow Construction (Northern) in 1975 as a director and was appointed managing director in 1984.

Mr Michael Withers has been appointed an associate director of ERA TECHNOLOGY. He joined ERA in 1983 as manager of the Radio Frequency Technology Centre.

Following the annual meeting of the GLASS GLOVER GROUP on March 27, Mr Aliek Glass, group joint managing director, will become chairman and chief executive. Mr Harry Glass, founder of the company, will resign as chairman to become life president and remains a director.

Mr Norman Riddell will become a director of THE CHARTERHOUSE GROUP on March 1. Mr Riddell has been with Britannia Arrow for the past six years, latterly as managing director and chief investment director of Britannia Investment Services.

BILLINGTON GROUP has appointed Mr William J. McGrath as a non-executive director. Since April 1985 Mr McGrath has been building up his own discount builders' merchants and DIY chain, Builders Mate.

SIMMONS & SIMMONS has appointed the following new partners: Mr George LHAÏER, conveyancing; Mr Simon Morgan, litigation; Mr Iain Callen, tax; and Mr Martin Smith, competition law.

BROWN SHIPLEY & CO has appointed Mr David Anslow as a director. Mr Anslow is a member of the Council of the Corporation of Foreign Bondholders and a director of Garfield Lewis.

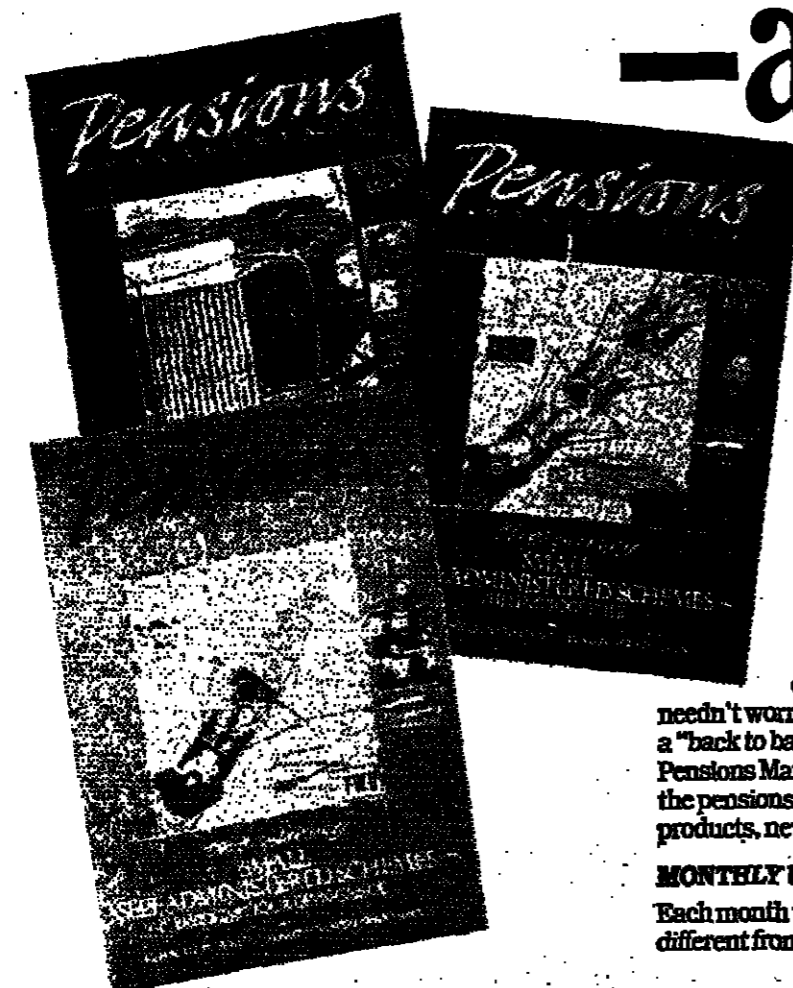
J. R. PARKINGTON & CO has appointed Mr Mel Stevens to the board of its subsidiary Dubonnet (1986). Mr Colin Cook has joined the board of another subsidiary, Pernod (UK).

Mr Timothy A. Ahlett has joined THE LEGAL PROTECTION GROUP as group finance and administration director and been appointed to the board. He was previously group finance controller of Wigham Poland Holdings.

SAVAGE GROUP has appointed Mr David Stephens as financial director. He joins Savage from his position as financial controller of Megapulse Inc, a subsidiary of Rasal.

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Saturday January 25 1986

PRESSURE MOUNTS ON MRS THATCHER AS MR BRITTAN QUILTS...

Survival, but at a heavy cost

By Malcolm Rutherford



would unite around any other candidate. Mr Heseltine, Mr Norman Tebbit, the party chairman, Mr Peter Walker, the Energy Secretary, and recently Mr Douglas Hurd at the Home Office all have their supporters but none of them exactly in droves.

So one assumes that the Prime Minister is safe for the time being. Though there could be unpleasant surprises in the next few months and the struggle for the succession has already begun. Hence a certain reluctance in the Party to close ranks while the Westland affair continues. Many MPs are simply hedging their bets and watching.

When the succession does come up, it is worth noting that the Tory electoral system and the present state of the party are almost designed to let in a compromise candidate. If (say) neither Mr Tebbit nor Mr Heseltine won on the first ballot, it is not very probable that their supporters would make a pact to support one or the other on the second. More likely they would go for someone else entirely, just to keep the other out: Mr Hurd perhaps?

Still, all that is for the future, or should be. Two other points have come out of the handling of the Westland business that ought to lead to some modest reforms in the way British governments treat official information.

The first concerns the Prime Minister's press secretary, presently Mr Bernard Ingham, and the "lobby" system of briefing journalists unattractively. It produces confusion for all concerned.

The West German system, somewhat modelled on the American preference for openness, is far better. The Government spokesman attends cabinet meetings and gives a press conference afterwards. If there is a coalition government, as there usually is, there will be two spokesmen, one for each party. At present there are three, to allow for Mr Franz Josef Strauss's Bavarian party. Spokesmen for the Government departments also attend the press conferences. At times it leads to disagreements between the coalition partners and between departments: for instance, between defence and finance. But at least the disagreements are in the open and some sort of proper record is given of what is going on. The West German system is more democratic than the British.

Second, Section Two of the Official Secrets Act of 1911 should be abolished. It is that ridiculous Act that repeatedly leads either to prosecutions or embarrasments. It is designed to protect all official information regardless of its value and makes both the donor and recipient technically guilty of an offence. In the Westland affair it even led to the Government not knowing how to leak information wanted made public. In the end it makes all governments look ham-handed.

Previous objections to its abolition have been based on the view that no one has devised anything better to put in its place. I think that it should be abolished outright. A replacement can come later, if necessary. Probably not: discretion and commonsense would do. Commodities which have been in short supply this week

Secrets have their price

THE SAD fate of Mr. Leon Brittan is already the subject of so much comment and analysis — and will no doubt remain so — that any moralising here would be otiose. It now seems — and the sad thing is that even now nobody can be sure of the facts — that he did indeed do a wrong deed, even if it was for a good reason. What proved fatal, though, was that both he and the Prime Minister were thoroughly unforthcoming about these events in the House of Commons. The resulting row may look from overseas like the British indulging in one of their ridiculous fits of morality, as Macaulay once put it, but the fact is that the British system of cabinet government cannot work unless ministers answer straight parliamentary questions frankly, or at worst refuse to answer them at all. The House has been enforcing an unwritten constitution.

The economic consequences of this political upheaval are difficult to assess, partly because the markets have had to assess them in the middle of a spectacular storm in the oil market. Certainly by last night it appeared that the markets had for the time being discounted politics, for reports of Mr Brittan's actual offer of resignation caused only a small ripple.

Indeed, the week's events have shown up the markets for the most part in an unexpectedly good light. There is a tendency whenever prices move for commentators to talk about speculative fury; but the fall in oil, sterling and latterly the dollar and the rise of the D-mark and yen have not been the result of speculation. They have been unusually large and swift but perfectly rational adjustments to the news.

Sabre-rattling

The oil market was perhaps a little late to wake up to the fact that the threats by the Gulf states after the December meeting of the Organisation of Petroleum Exporting Countries to reclaim their market share, regardless of price, were meant in deadly earnest. The oil ministers have in fact a long record of blunt talk and there is no mystery about their aims. They would like to prove to other oil producers that it would be in their interests to share in the burden of managing the market; but failing that, they have less to lose than any other producers — including persistent quota-breakers like Nigeria — from a big price fall. They can maintain their revenues; nobody else can.

The market clearly does not rate their chances of assembling an enlarged Opec too highly, and has very rapidly

CAN MRS THATCHER survive? The question has become sufficiently serious to be discussed.

Although the answer is "probably yes," there is the subsidiary question of "how long?" And even the "yes" has to be hedged with hesitation. There can be no doubt that her handling of the Westland affair has damaged her reputation.

It would be over-dramatic to say, as was said about Harold Macmillan during the Profumo affair, that never again can there be glad confident morning. There never is glad confident morning. But there may not be many more peaceful afternoons in the House of Commons.

Mr James Callaghan, when he was Prime Minister, is reputed to have said on his return from a summit meeting in the Caribbean to find the winter of discontent in 1979: "Crisis. What crisis?"

The words are very apt to the present situation. It is hard to put one's finger on precisely what the crisis is. It is not the future of Westland — a minor matter, except to its employees and shareholders. It is not the great debate over whether Britain should go American or European on defence procurement — irrelevant to the way the politics have developed. It is not the resignation of Mr Leon Brittan as Trade and Industry Secretary, about whom the only question had been whether he would go yesterday or, more dramatically, next week.

It is not even that the Prime Minister refused to answer certain questions in the House of Commons on Thursday. No one really cares about the minutiae, though it is good clean fun to go pressing for details.

The crisis is really about why a crisis has allowed to develop out of such trivia. And that is very serious, for it raises all sorts of other questions like: does the present government always behave like this? Is the Cabinet just a bunch of bickerers? Is the Conservative Party so divided that it cannot assert its old tradition of loyalty under fire? And why does the Prime Minister not take control, instead of apparently seeking to concentrate on saving her own skin?

Most important of all, what happens if Mrs Thatcher does survive the crisis? She will be a bleached Prime Minister, leading a government that faces very difficult economic and social problems, with no obvious successor in sight and no necessity to call a general election until 1988. That is not a prospect to please.

No doubt we shall know more about the Westland affair and the leadings of letters after the emergency debate in the House of Commons on Monday. But it seems to me that Mrs Thatcher loses on every count. Either she knew what was going on, or she did not. If she did, why did she not stop it? If she did not, why not or at least why did somebody not tell her?

The Prime Minister's early warning system seems to be going the way of the Nimrod — seven years too late. She will have to give a very good performance indeed to make up for recent lapses. Mr Brittan will be free to speak his mind in the debate if he chooses to do so.

Why did it all happen? My own explanation is based partly on Lord Acton's dictum, especially the first part of it: "All power corrupts, and absolute power corrupts absolutely." It is not corruption in the sense of financial gain or anything like that. It is the way the possession of power eventually leads to carelessness about its use.

Mrs Thatcher thought that Westland was a small matter that could be dealt with by her ministers. She overlooked the fact that they were squabbling and that some of the personal rivalries ran deep. Mr Brittan, for example, had never forgiven her for removing him from the Home Office last September. Mr Heseltine was smarting from the way he thought that his suggestions to economic and industrial policy had been rejected over the years. The Prime Minister failed to appreciate the implications of allowing him to go off and seek a European solution to Westland when she and her colleagues thought it was not practical.

Mrs Thatcher would never have behaved like that in her early days. Indeed some of her closest advisers thought her almost negligible attention to detail was one of her greatest strengths: for example, the rigid insistence on settling the British contribution to the Community budget before developing a European policy.

It was the same with her appointments to the Cabinet. She was never a butcher. She moved gradually, cautiously, letting the people whom she thought were against her fall out one by one and, by and large, they went quietly. Mr James Prior, once one of her foremost critics and even rivals, has now announced that he will be leaving the House of Commons at the next general election.

There was a change last September. Mr Brittan was moved against his will and without advance warning. At the same time, there was considerable resentment amongst ministers about the leaks and innuendoes which went on all last summer about the potential casualties. Mr Peter Rees, the Chief Secretary to the Treasury, and Mr Patrick Jenkin, the Environment Secretary, learned by rumour that they would be dropped months before they were officially dismissed. Mr Brittan said at the time that he thought the Prime Minister had behaved absolutely scandalously in allowing the rumours to continue without taking action.

In one way, Mr Jenkin's case is similar to his own. Both men have been made scapegoats. Mr Jenkin got into trouble in the House of Commons in his efforts to push through the abolition of the Greater London Council. The legislation was not his idea in the first place but in the end he succeeded

in getting it passed. He was sacked for his pains. Mr Brittan emerged as the scapegoat in the Conservative Party this week. Many of his judgments in the Westland affair had been correct. For example, it was he who urged the Prime Minister to make a statement about it earlier on. If she had done so, the Government might not have been in its present difficulties. But Tory loyalty is a strange thing: the Party turned on him and not the leader. In the end he had no honourable choice except to resign.

Yet it is not only Lord Acton's view of power that counts. There is something observable in other leaders, in other countries, that suggests that after about five years the judgment begins to wane. It happened to President Valery Giscard d'Estaing in France and to Chancellors Brandt and Schmidt in West Germany. Somehow the strain begins to tell, and public confidence ebbs away.

What will happen next? It is essential here to bear in mind the mechanics of political change in this country. The Conservative Party has a huge majority in the House of Commons. It is exceedingly unlikely that many Tories will come down against the Government in a vote of no confidence, which is what Monday's emergency debate amounts to, though some might abstain.

Man in the News

Poul Schluter

Gambler with a winning way

By Hilary Barnes in Copenhagen



PRIME MINISTER Poul Schluter of Denmark might be forgiven if he has mixed feelings about the European Community. Hardly had he taken over as Prime Minister in the autumn of 1982 than he was plunged, at his first meeting of the EEC heads of government, into a bitter confrontation with Mrs Thatcher over fisheries policy.

Despite the verbal cudgelling he took on that occasion, Mr Schluter stood firm against the other nine until he had won the concessions the Danes were asking for.

His government is now facing another and far more serious crisis over relations with the Community. The fact that a majority in the Folketing (parliament) is refusing to accept the reforms of the EEC which were agreed at the Community's summit in December. The issue threatens not only the future of Mr Schluter's coalition, but also, in Mr Schluter's view, the future membership of the Community by Denmark.

There is not much doubt that a sizable contingent in the opposition Social Democratic Party believed that they had finally check-mated Mr Schluter on the issue of the EEC reforms, and that when his four-party non-Socialist coalition was defeated on an issue of such vital importance it would be forced to call a general election. They had, however, forgotten that behind the Prime Minister's cheerful and friendly exterior there is a determined politician who on several occasions before has robbed the Opposition of an expected victory.

The 56-year-old Prime Minister clearly regards the EEC issue as too important to become the residual outcome of parliamentary faction fighting. Faced with parliamentary defeat, he therefore announced that he would appeal over the heads of the parliamentarians to the people by holding a consultative referendum.

If the decision is reminiscent of President de Gaulle, the likeness between the two politicians ends there. There is nothing pompous about Mr Schluter, a lawyer by training, who is a quintessential Danish politician: un-snobbish, unpretentious and well liked.

He gets on well with almost everyone in the Folketing, not least the leader of the Social Democratic Party, Mr Anker Jorgensen, his predecessor as Prime Minister. No more proof of his winning ways is needed than the fact that he has been able to hold a four-party minority coalition together, with few signs of serious fric-

tion, for almost three-and-a-half years. Neither does Mr Schluter's decision to hold a referendum reflect a Gaullist disdain with the parliamentary system.

To outsiders, the politics of the Folketing, to which nine parties were elected in the last election, are a mystery, but the Danes have an affectionate regard for their parliamentary politics of the kind which all peoples reserve for their national peculiarities. "It's democratic, it's Danish," the Prime Minister observed of the com-  
plicated New Year message to the people, just three weeks before he decided to upstage the

assembly by holding a referendum. The decision to hold such a vote is a gamble. If the electorate reject the EEC reform package, Mr Schluter and his supporters believe that it will be Denmark's first step towards leaving the Community — and that, as even the Social Democrats would agree, would have extremely serious economic consequences for a country as heavily dependent as Denmark on agricultural and fisheries exports.

But to justification for setting aside the normal process of representative government, the Prime Minister can argue with some force that his Government

is faced with an extraordinary parliamentary situation. The coalition is split in office by the votes of the Radical Party, which supports the Government's economic policy. But the party has a long neutralist and pacifist tradition and votes with the socialist parties on foreign policy.

The Radicals have held the balance between Left and Right for most of the last 50 years, but since 1945 it has not mattered much, as foreign policy was based on a consensus between the main non-socialist parties, including the Prime Minister's conservatives and Foreign Minister Uffe Ellemann-Jensen's Liberals, and the Social Democrats.

But after 1982, the Social Democrats began to drift away from the policies they had pursued when in office, voting with the Radicals and the other socialist parties to inflict a series of defeats on the Government, notably in relation to Nato's nuclear strategy. The breakdown in the post-war consensus culminated in December, when the Social Democrats, who took Denmark into the EEC in 1972, rejected the EEC reforms, to almost everyone's surprise. The reforms are as modest as they are mainly because the other members went out of their way to meet Danish wishes.

If the referendum approves the reforms, it will be a major victory for Mr Schluter personally, for his policies — and for European co-operation.

If the verdict goes the other way, it will not necessarily mean the end of the Prime Minister, although the coalition's credibility will suffer. He will stay on, unless turned out by a vote of no confidence in the Folketing, because, as he has explained, he believes his government would be best suited to clearing up the subsequent mess. The preliminary evidence from opinion polls is that Mr Schluter's political instincts are right again and that the voters will endorse the EEC reforms.

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مكتبة التحويل

... WITH LITTLE RELIEF ON THE ECONOMIC FRONT OR FROM THE WORLD OIL MARKET

Tax cuts: the hopes are evaporating

THE CONVENTIONAL wisdom was always that Britain's transition to a post-oil economy would be a gradual process.

The world's oil and foreign exchange markets this week threatened to shatter that hope.

While Mrs Thatcher battled to contain the political crisis...

Yesterday a semblance of calm returned to the markets...

As recently as last October Mr Lawson was emphasising that the cushion to the trade balance...

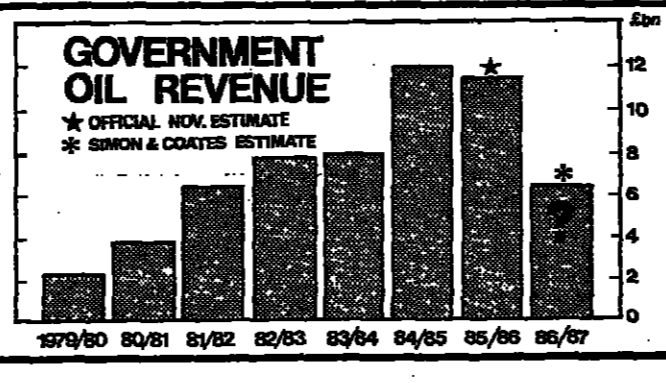
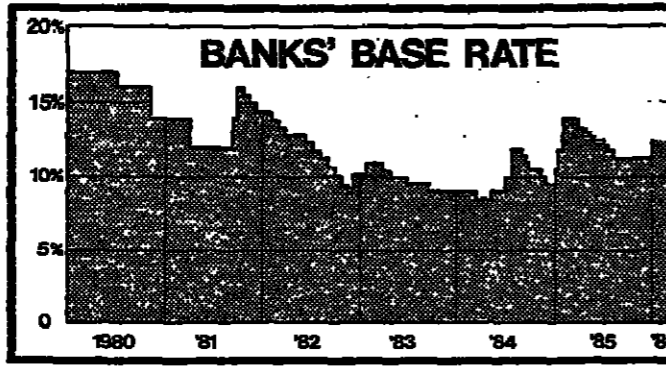
At the same time the Chancellor poured scorn on an all-party report from the House of Lords...

Nothing since October has suggested that the profile of oil output will change...

The Government is adamant that it will not respond to Opec pressure to curb production...

The implications of this are not all bad — a point which the Treasury anxiously tried to explain...

Lower oil prices will also provide a boost to world output and world trade...



price means that in terms of revenues the economy is now where it might have been expected to be in five or six years' time.

To protect living standards, non-oil industries and services will have to generate additional resources almost instantaneously...

If Britain is not to be faced in the 1990s with the balance of payments crises so familiar in pre-oil era...

The Government can always claim that consumers have already received tax cuts in the shape of lower petrol prices...

The fall in the oil price has telescoped the time-scale during which other sectors of the economy need to produce more...

The medium term implications also pose problems. The significance of this is that after five years of economic growth...

Professor Alan Budd of the London Business School calculates that the slump in the oil...

drop in the nominal exchange rate. That consideration — as well as the desire to avoid a politically damaging rise in mortgage rates — was probably behind the decision this week to allow sterling to take the strain...

Mr Lawson has made it clear on several occasions that he expected the gradual run-down of Britain's oil wealth to be accompanied by a gentle fall in the real exchange rate.

The problem facing the Government will be to sustain confidence in financial markets if the preliminary OPEC meeting on Monday and the ministerial talks that following week-end trigger further speculation against sterling.

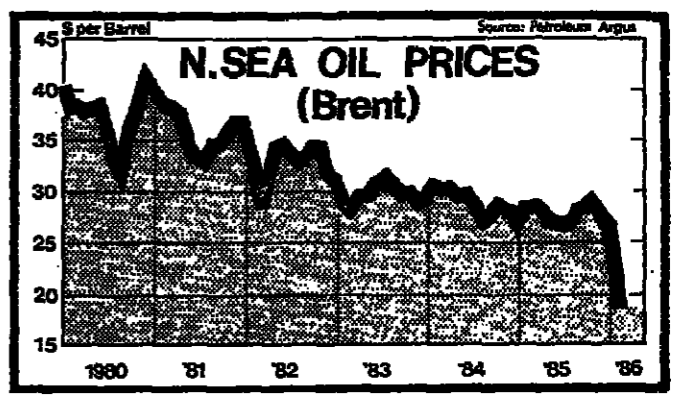
The sterling crisis of last January demonstrated how quickly faith in the Government's commitment to its anti-inflation strategy can be undermined...

Yesterday morning the Treasury was beginning to win some rare City accolades for its tough stance this week.

In the meantime, the Chancellor will have to do some careful arithmetic to decide whether to sacrifice tax cuts or fiscal rectitude in his March Budget.

Philip Stephens

IF Sheikh Ahmed Zaki Yamani and Mr Kaare Kristiansen had been in league to embarrass Mrs Thatcher's Government...



Yamani turns the screw

With consummate timing, Mr Yamani, the Saudi Oil Minister, moved back to centre stage...

So what, behind the rhetoric, is going on? One senior oil company executive commented: "The Norwegians are bluffing because they know there is little chance of a credible agreement to limit production."

Meanwhile, in spite of its elaborate pose of indifference, the UK Government is also deeply anxious about the threat of a further steep fall in the oil price.

That suggests that the current trade-weighted value of sterling is towards the bottom end of what the Treasury might regard as an acceptable trading range...

The problem facing the Government will be to sustain confidence in financial markets if the preliminary OPEC meeting on Monday and the ministerial talks that following week-end trigger further speculation against sterling.

However, until each player believes that all the others will take their share of production cuts no-one is likely to be the first to volunteer.

But as Mr Yamani well knows, there is relatively little that the UK Government could do without understanding with the oil companies.

However, there is as yet little confidence that an effective deal can be struck in

Vienna, and even less certainty whether such a deal would be honoured.

The basic difficulty confronting all oil producers at present is that while demand for oil is expected to remain essentially flat at around 45.5m barrels a day for this year and next...

Most analysts put the demand for crude oil from the 14 Opec producers at only around 15.2m b/d this year, with demand dropping considerably below this in the spring.

Industry experts believe the kingdom is now producing around 5m b/d, which is twice its production level in the early autumn of last year.

At around \$16 per barrel, Britain's huge unused capacity of oil-fired power stations would start to become economically viable again.

So, whether by agreement or by the force of the market, production will have to be curbed.

But the general attitude seems to be that of one official who said: "It was Opec which pushed the price up above \$30 a barrel. Let Opec deal with the consequences."

Max Wilkinson

The nation's income

From Mr W. Manser

Mr Alistair Sutherland (January 21) is right in saying that the Government does not absorb GDP.

But GDP has three aspects. It is the measure of total production, but since it is, and can only be, measured in £s...

Therefore, if one is using the term GDP as a statement of total income, then it is perfectly proper to say that the Government has absorbed 40 per cent of it.

And so, by extension, it is possible to say that the Government has not absorbed but prepaid for its own needs 40 per cent of the nation's output of wealth — which is synonymous with production GDP.

W. A. P. Manser, 6 Portugal Street, WC2.

Keep Sunday special

From the Deputy Director, National Consumer Council

Sir, I beg to differ with Dr Michael Schluter (January 21). He denies that the set of proposals on Sunday trading which I attributed to the "Keep Sunday Special" Campaign...

Dr Schluter goes on to say: "This is just one option. There are others." This is the problem: those opposed to deregulation can't seem to agree on what exactly they do want.

Some advocate Sunday morning opening, some Sunday afternoon, some Sunday opening just for grocery shops, others Sunday opening for DIYs and garden centres.

Perhaps Dr Schluter would be better advised to get his left arm checked out what his right arm wants and decide once and for all what "option" they're backing.

Letters to the Editor

The culture of science

From Dr P. Mitchell

Sir, I write from temporary confinement to a Bath's Hospital bed where, on reading David Fishlock's column "Science research put on the rack" (January 20), I am particularly well placed to appreciate the almost miraculous benefits to humanity of the healing arts of anaesthesia, surgery and medicine (not to mention the Financial Times available at the hospital paper shop) that have returned like other rational humanitarian skills, through the diligent pursuit of the open-minded kind of practical and theoretical problem-solving enquiry known as scientific research.

With all due respect to the scientific establishment, the idea that we can plan our way into a more productive period in Britain on inadequate resources of finance and public enthusiasm by centrally organised crystal gazing that will concentrate funds in selected areas of supposedly "productive" research can hardly be consistent with the improvement that is required of our scientific cultural activity, even if only because the proposed centrally-determined selectivity will inevitably encroach on the freedom of the imagination and judgment of the working scientists, who may themselves be best able to tell where their research efforts can be most fruitfully directed.

The problem of our scientific culture is not, of course, new, and the proposed centrally-directed remedy, which is liable to make matters worse, is not new either. In 1964, during an earlier period of "brain drain," this research foundation was established to enlist public enthusiasm for research. The object was to test the feasibility of an open-world regional solution for the independent pursuit of basic scientific research that would avoid the stultifying effects of central planning and control. This solution has been remarkably successful, judging by the award of the Nobel prize

Financial fraud

From Mr A. Herd

Sir, It is over two years since you published my letter in which I roundly condemned financial fraud, and urged that early and effective action be taken against the perpetrators of this insidious form of criminal activity.

In the intervening period the incidence of financial malpractice has continued at an unacceptably high level and there have, of course, been further revelations about earlier so-called "scandals," some involving enormous amounts of money.

Regrettably, the treatment meted out to the long-awaited Insolvency Bill during its passage through Parliament has not helped the fight against fraud, probably the reverse, and I believe that the Government must now act decisively if it is to retain any credibility in this murky area.

Publication of the Roskill Committee's report on fraud undoubtedly provides the ideal opportunity for resolute action, as opposed to continuing rhetoric, and I for one will be bitterly disappointed if the principal recommendations of this excellent Report are not translated into effective legislation sooner rather than later.

As it is my belief that Chinese Walls, gamekeepers and poachers are more suited to their natural environment than London's financial market place, I am certainly not convinced that the proposed Financial Services Bill, in its present form and from which Lloyd's has been excluded, has the capability to deter those who are reputed to make money at the expense of others.

This makes the early implementation of the Roskill proposals a top priority, and one which requires that politicians, financiers, law enforcement agencies and the accountancy and legal professions now...

Looking for patents

From the Director, Science Reference and Information Service, British Library

Sir, Nick Bunker, referred (January 21) to the holdings of about 25m patent specifications which are held by the British Library's science reference and information service.

May I, therefore, assure readers that, should they come to the Library, the staff will explain to them how to find the information service. The various indexes and whether an on-line search of electronic databases would help — if so we can provide it. If the search is complex we can put the client in touch with one of the professional searchers who specialise in this field.

Michael W. Hill, 25 Southampton Buildings, Chancery Lane WC2.

The price of petrol

From Mr A. Maggs

Sir, Your report (January 16) about a cut in petrol prices in Scotland and Northern Ireland and a comparison with less than £1.90 in England and Wales prompts me to ask why, with a few exceptions, prices per gallon in the Plymouth area until that time, were several pence in excess of £1.90.

Your report confirms news that, for example, the Midlands prices have been as low as £1.85 whereas here the norm was around £1.93; and is only now reducing to less than £1.90.

It is difficult to understand why the area has been selected for what, in comparison with other areas, excessive prices. No oil company has started a process in spite of local...

Successful offer

From Mr J. Gledhill

Sir, — The very interesting numbers of column inches devoted on January 13 to the forthcoming offer of equity in Templeton, Galbraith and Hansberger will, no doubt, have ensured the success of the offer.

Has the Stock Exchange and institutional policy on non-voting and restricted voting equity issues changed recently? If not, it is surprising that only a few lines were devoted to imparting the information that while Mr Templeton is selling 25 per cent of the equity, he is retaining 94 per cent of the votes.

J. Roger Gledhill, 41 Warwick Park Road, Sheffield.

Capital gains tax

From Mr L. Littman

Sir, — Contrary to Mr Rentoul's expressed view (January 18) the Conservative manifesto of 1979 stated that "we shall deal with the most damaging features of capital gains tax and capital transfer tax and propose a simpler and less oppressive system of capital taxation in the longer term."

Furthermore, Sir Geoffrey Howe, in his first Budget, described capital gains tax as "a capricious and sometimes savage levy upon the capital itself."

Leaving rhetoric aside, Mr Rentoul of the New Statesman and I are really writing from two diametrically opposed political viewpoints. I hold for the concept of a free people whose property and lives are guaranteed them by the fundamental laws of the land, and who freely give to the state what it needs for its basic necessities, and does so in accord with a just system of taxation.

L. T. S. Littman, Ashley Chase House, Ashburton, Devon.

BUILDING SOCIETY RATES

Table listing various building society rates including Abbey National, Ald to Thrift, Alliance and Leicester, Anglia, Bantley, Bedford and Bingley, Bristol and West, Britannia, Cardiff, Catholic, Century (Edinburgh), Chelsea, Cheltenham and Gloucester, Chestnut, Fome Selwood, Gateway, Greenfield, Guardian, Halifax, Heart of England, Hamel Hempstead, Hendon, Hinckley and Rugby, Lambeth, Leamington Spa, Leeds and Holbeck, Leeds Permanent, London Permanent, Midlands, Morlington, National Counties, National and Provincial, Nationwide, Newcastle, Northern Rock, Norwich, Peckham, Peterborough, Portsmouth, Portsmouth Property Owners, Regency, Scarborough, Stratford, Sussex County, Thurst, Town and Country, Wessex, Woolwich, Yorkshire.

UK COMPANY NEWS

THE GUINNESS BID FOR DISTILLERS

Argyll considers legal action
The decision was made. Distillers' two merchant banks said it was not a major issue. Several financial institutions expressed disquiet about Distillers' decision to accept the cost which became a condition from Guinness of the deal going through.

David Goodhart and Lionel Barber on how the deal was struck
A midnight whisky in Walton



Mr James Gulliver, chairman of Argyll, in no mood to join the celebration between (left to right) Mr John Connell, Distiller's chairman, Sir Thomas Risk, Governor of Bank of Scotland, and Mr Ernest Saunders, chief executive of Guinness.

It was four days after the OFT's decision on Monday January 13 that informal contracts between Guinness and Distillers became serious. Both Connell and Saunders claim they cannot remember which side took the initiative, but Guinness chief executive Ernest Saunders said he was the one who initiated the deal.

Full listing for Body Shop
Crean in £25m US deal
Utd. Guarantee suspended

James Crean, the Irish industrial distribution and food group, is to buy Freetzer Queen, a US manufacturer of frozen entrees and prepared meals, for \$55m (£25m) from Tennessee-based United Foods.
Shares in United Guarantee, the distributor of heating oils, were suspended yesterday at 20p at the company's request, as it warned of heavy losses on its Spanish leisure operations.

Lex Service in £24m disposal of parcels side

Lex Service, the automotive and electronic components distributor, is realising £24m in cash with the sale of Lex Wilkinson, its parcels distribution business, to Federal Express, a large US package delivery company.
Lex Wilkinson employs 1,900 people and operates from 17 depots around the UK. Excluded from the sale is the Lex group's contract distribution business, Lex Systemline, which was hived off from Wilkinson some time ago.

Watsham's calls for £9.2m as interim profits soar

Watsham's, manufacturer of optical, electronic and industrial safety equipment and distributor of medical supplies, is raising £9.2m by a one-for-three rights issue at 140p. The company has also announced record half year profits of £1.2m compared with £723,000.
The proceeds will be used, in part, to repay borrowings of £3m, resulting from investment during the past year in new plant for both optical and electronic divisions, and the acquisition of Drax Technical Services.

Case cuts jobs as losses mount

Case Group, the Watford-based manufacturer of data communications systems, yesterday dashed hopes that its second-half performance would produce a profit for the current trading year, and announced job losses of 235 in the UK and US.
Following a disappointing third quarter, the directors of Case expect a substantial group loss for the year, the company said. Its shares closed at 104p, down 5p.

Increased Macarthy's bid wins approval

Jadelle, a new company formed by a group of investment trusts to mount a takeover bid for Macarthy's Pharmaceuticals, yesterday increased the value of its cash offer by about 5 per cent and won the recommendation of Macarthy's board.
The highly unusual bid was mounted with the aim of changing Macarthy's top management. Jadelle intends to maintain the company's stock market listing, and will retain no more than 75 per cent of its shares.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns for Equity Groups & Sub-Sections, Fri Jan 24 1986, and Highs and Lows Index. It lists various market sectors like Capital Goods, Consumer Goods, and Financial Services with their respective index values and changes.

FIXED INTEREST

Table showing Average Gross Redemption Yields for various fixed interest instruments. It includes categories like British Government, Index-Linked, and Preference, with columns for yield percentages and dates.

1-Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, ECA, price 15p, by post 25p.
CONSTANT CHANGES: Drayton Premier Inv Trst (71) has been deleted and replaced by First National Finance (70). INDEX-LINKED INDICES: Corrected indices for 14/1/86 No 6 106.51, No 7 105.18 and No 8 105.42.



INTERNATIONAL COMPANIES and FINANCE

Siemens opens talks with French telecom group

BY PETER BRUCE IN BONN AND DAVID MARSH IN PARIS

SIEMENS, West Germany's biggest telecommunications and electronics group, said yesterday it was holding "exploratory talks" with CGCT, France's second largest telecommunication equipment supplier.

Deutsche Bank in Flick move

BY JOHN DAVIES IN FRANKFURT

MR FRIEDRICH KARL FLICK, the West German businessman, may receive more than DM 5bn (\$2bn) or so agreed on for the sale of his main business interests.

CGE profits soar on higher sales

BY DAVID MARSH IN PARIS

COMPAGNIE Generale d'Electricite, the French nationalised electronics, energy and engineering group, registered a 25 per cent increase in net profits last year to close at FF 1bn (\$155m) from FF 797m in 1981.

North BH claims institutions' support

BY OUR FINANCIAL STAFF

NORTH BROKEN HILL Holdings, the Australian investment and mining group, yesterday pursued its counter-offensive against the AEL50-a-share partial bid for the company by Mr Ron Brierley's Industrial Equity Ltd.

Singapore to toughen securities legislation

THE Monetary Authority of Singapore (MAS), the island state's bank regulatory agency, is to have its already considerable powers greatly expanded under the new Securities Industries Bill now before parliament.

Details of the proposed legislation, which will replace the 1973 Securities Industries Act, were released for the first time yesterday.

The Government says the 98-page Bill offers more effective control and supervision of the securities industry and ensures a more orderly and responsible securities market.

The Government can make appointments to the Stock Exchange, demand information from it and issue directives regarding trading generally or certain securities. It can prohibit trading altogether in particular securities for up to 14 days.

Swiss hotels group has good year

By John Wicks in Zurich

MOEVENPICK, the Swiss restaurant and hotel concern, had an "exceptionally good year" in 1981.

Philip Morris sells Seven-Up to Pepsi

BY WILLIAM HALL IN NEW YORK

PEPSICO, the second biggest US soft drinks group, is buying Seven-Up, its smaller and less profitable rival, for \$380m. The move is likely to intensify the battle for market leadership in the competitive \$2bn a year US soft drinks industry.

Philip Morris, the US tobacco giant which has owned Seven-Up since 1978, has reached an agreement with PepsiCo for the sale of the worldwide Seven-Up trademark and franchise beverage business of the Seven-Up company.

CooperVision to buy Rorer's surgical units

BY PAUL TAYLOR IN NEW YORK

COOPERVISION, the US eye care group, agreed yesterday to acquire Rorer Group's surgical products subsidiaries for \$350m in cash.

Charges hamper Motorola

BY OUR FINANCIAL STAFF

MOTOROLA, the big US semiconductor and electronics group, saw net profits virtually halved in the fourth quarter of 1981, reflecting \$28m in special costs.

Gould deeply in red

BY OUR FINANCIAL STAFF

GOULD, the big US electronics group, is taking a \$74.9m charge in its fourth quarter, mainly reflecting the proposed sale of its property and graphics plotter businesses.

NORTH AMERICAN QUARTERLIES

Table with multiple columns for company names (e.g., H. F. ARMSTRONG, LIBBY-OWENS-FORD, TIGER INTERNATIONAL) and financial data for 1985 and 1986 quarters.

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol., Feb., Last, Vol., May, Last, Vol., Aug., Last, Stock.

BASE LENDING RATES table listing various banks (e.g., ABN Bank, Allied Dunbar & Co., American Express Bk.) and their respective rates.

Granville & Co. Limited table showing company names, price changes, gross yield, and fully paid status.

Wood Gundy Inc. advertisement with text: "has available a manual of selected U.S. and Canadian share prices as at 31 March 1982 for capital gains tax computations. Requests for copies should be made to Marcus Wohlrab, Research Department."

LONDON TRADED OPTIONS table with columns for Option, Calls, Puts, and various dates (Apr., July, Oct., Feb., May, Aug.).

LADBROKE INDEX 1,121-1,125 (+5) Based on FT Index Tel: 01-497 4411

WORLD STOCK MARKETS

NEW YORK

Table of New York stock prices for various companies including AGS Computers, AMCA, AMF Corp, etc.

STOCK

Table of stock prices for companies like Hall (FB), Halliburton, Hammarlith, etc.

STOCK

Table of stock prices for companies like Morton Thiokol, Motorola, Murphy Oil, etc.

WALL STREET

Blue chips in further recovery

A FURTHER recovery developed on Wall Street yesterday when traders noted that strength was again concentrated in a few of the blue chips. A report that durable goods orders increased 4.2 per cent had little effect on the market.

drop on Wednesday. Cray Research advanced \$2 to \$63 and Digital Equipment \$4 to \$149.

In Oils, Texaco rose \$1 to \$273 and Amoco \$1 to \$59, but Atlantic Richfield fell of \$11 to \$94.

Major Banking traded easier. Broken Hill Proprietary which receives more than half its profits from crude oil sales, dropped 15 cents to \$47.20.

Investors have been buying JAL issues in hopes it will benefit from planned deregulation of domestic airlines, but analysts noted JAL has predicted a volume of 9.01m shares.

NEW YORK INDICES

Table of New York indices including Dow Jones, S&P 500, NYSE, etc.

STOCK

Table of stock prices for companies like Hall (FB), Halliburton, Hammarlith, etc.

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CURRENCIES AND MONEY

COMMODITIES AND AGRICULTURE

FOREIGN EXCHANGES

Dollar loses ground

The dollar fell quite sharply yesterday afternoon following comments made by the Japanese finance minister that a yen/dollar rate of ¥180 would be acceptable.

£ IN NEW YORK (LATEST)

Table showing exchange rates for £ in New York, including closing rates for Jan 24 and previous days.

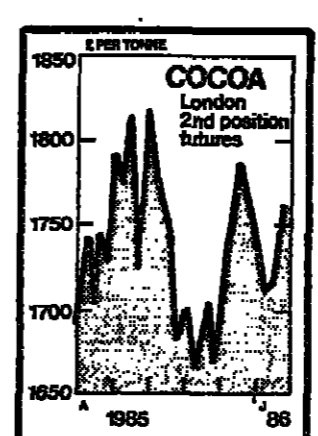
calls for a rise in clearing bank base rates, emphasizing its determination by taking the unusual step of rejecting all bids at the weekly Treasury bill tender.

REVIEW OF THE WEEK

World sugar price advances \$20

SUGAR MOVED to centre stage on the commodities scene this week as coffee futures traders paused for breath following the spectacular price movements of the past month.

down - in fact yesterday's volume of 4,515 lots was the lowest since early December. March coffee managed to regain \$134.50 from last week's \$146.50 fall but at \$252 a tonne it was still nearly \$550 below peak reached a few weeks ago.



US MARKETS

PRECIOUS METALS

PRECIOUS METALS firmed on good buying linked to currency markets along with concern that tension between Libya and the US could flare up again.

Table showing ORANGE JUICE 15,000 lb. cents/lb. prices for various months.

Table showing PLATINUM 500 troy oz. \$/troy oz. prices for various months.

Table showing SILVER 5,000 troy oz. cents/troy oz. prices for various months.

Table showing SUGAR WORLD 11,000,000 lbs. cents/lb. prices for various months.

Table showing NEW YORK ALUMINIUM 40,000 lb. cents/lb. prices for various months.

Table showing CHICAGO LIVE CATTLE 40,000 lbs. cents/lb. prices for various months.

Table showing COCOA 10 tonnes, \$/tonnes prices for various months.

Table showing COFFEE C 17,500 lbs. cents/lb. prices for various months.

Table showing COPPER 25,000 lbs. cents/lb. prices for various months.

Table showing COTTON 50,000 lbs. cents/lb. prices for various months.

Table showing SOYBEAN MEAL prices for various months.

Table showing SOYBEAN OIL prices for various months.

Table showing GOLD 100 troy oz. \$/troy oz. prices for various months.

Table showing HEATING OIL 42,000 US gallons, cents/gallon prices for various months.

Table showing SOYABEAN MEAL 100 tons, \$/ton prices for various months.

Table showing SOYABEAN OIL 60,000 lbs. cents/lb. prices for various months.

Table showing WHEAT prices for various months.

Table showing BARLEY prices for various months.

Table showing COCOA prices for various months.

Table showing COFFEE prices for various months.

Table showing FREIGHT FUTURES prices for various months.

Table showing RUBBER prices for various months.

Table showing MEAT prices for various months.

Table showing GRAINS prices for various months.

Table showing MEAT COMMISSION prices for various months.

STERLING INDEX

Table showing Sterling Index values for various currencies and dates.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing Dollar Spot and Forward rates against the Dollar for various countries.

POUND SPOT—FORWARD AGAINST POUND

Table showing Pound Spot and Forward rates against the Pound for various countries.

CURRENCY RATES

Table showing various currency rates including Sterling, US Dollar, and others.

CURRENCY MOVEMENTS

Table showing currency movements and changes for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and terms.

OTHER CURRENCIES

Table showing other currency rates for various countries.

EXCHANGE CROSS RATES

Table showing exchange cross rates between various currencies.

MONEY MARKETS

Bank forces the point

The Bank of England reinforced its determination to avoid a further rise in clearing bank base rates yesterday by declining all offers made at the weekly Treasury bill tender.

shortage of around £500m and the Bank gave assistance in the morning of £512m comprising purchases of £1m of eligible bank bills at 12 1/2% per cent and £1m of local authority bills at 12 1/2% per cent.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

MONEY RATES

Table showing money rates for various currencies and terms.

LONDON MONEY RATES

Table showing London money rates for various currencies.

UK clearing banks base leading rate 12 1/2% since January 9

the main factor undermining both market confidence and the value of sterling. Yesterday's failure to allocate any bills at the Treasury bill tender was for the first time since March 1985.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities including metals, grains, and oil.

INDICES

Table showing various indices including Financial Times and Reuters.

REUTERS

Table showing Reuters index values for various dates.

DOY JONES

Table showing Doy Jones index values for various dates.

SOYABEAN MEAL

Table showing soyabean meal prices for various months.

SUGAR

Table showing sugar prices for various months and types.

ALUMINIUM

Table showing aluminium prices for various months.

COPPER

Table showing copper prices for various months.

LEAD

Table showing lead prices for various months.

NICKEL

Table showing nickel prices for various months.

ZINC

Table showing zinc prices for various months.

GOLD

Table showing gold prices for various months.

SILVER

Table showing silver prices for various months.

POTATOES

Table showing potato prices for various months.

PETROLEUM

Table showing petroleum prices for various months.

GAS OIL FUTURES

Table showing gas oil futures prices for various months.

WHEAT

Table showing wheat prices for various months.

BARLEY

Table showing barley prices for various months.

COCOA

Table showing cocoa prices for various months.

COFFEE

Table showing coffee prices for various months.

FREIGHT FUTURES

Table showing freight futures prices for various months.

RUBBER

Table showing rubber prices for various months.

MEAT

Table showing meat prices for various months.

GRAINS

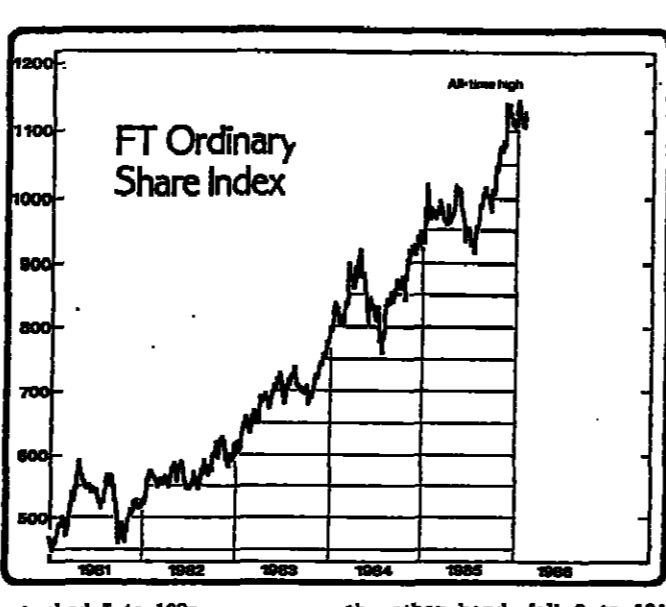
Table showing grain prices for various months.

LONDON STOCK EXCHANGE

SE DEALINGS

Authorities' determined stance on interest rates leads to calmer market session

Account Dealing Dates
Official Dealing Dates
Jan 13 Jan 23 Jan 24 Feb 3
Jan 27 Feb 6 Feb 7 Feb 17
Feb 10 Feb 21 Mar 3



117p and Abbas Bros 13 higher at 585p. Buyers also showed enthusiasm for Sirdar, 7 dearer at 147p, while Dawson International put on 2 for a gain on the week of 14 at 285p.

The authorities' success this week in resisting the strong pressure for higher bank base rates was a soothing influence for London financial markets yesterday. Doubts remained whether the Bank of England could ultimately prevent a short-term increase in borrowing charges if the current sterling/oil situation was to deteriorate further. But steadier North Sea oil prices together with lower money market rates gave markets hope yesterday.

Lee Cooper wanted
For the second successive trading session, leading Retailers rallied well from earlier, lower levels. Sears were again surrounded by bid speculation and handed 24 more to 117p, while dealers also reported good support for Woolworth, 5 to the good at 443p. Dixons closed 10 at 820p, after 303p. Grattan attracted demand after-hours and finished 8 better at 522p.

pushed ahead to close 11 higher at 236p. Among the other miscellaneous industrial leaders, Beecham, the subject of revived bid speculation earlier in the week, ran back to 360p before buyers reappeared and took the price up to a close of 366p, down 3 on balance. Elsewhere, BBA, still reflecting BTR bid hopes, advanced 14 more to 165p, while takeover speculation also left Briston 11 to the good at 138p.

Renewed institutional demand coupled with a determined covering operations against Gilt futures commitments led to a brighter session in the bond market. Conventional stocks, however, were overshadowed by the strength of recently-belleaguered index-linked issues.

Narrow irregular price movements were the order of the day among Electrical majors. British Telecom held the overnight level of 180p with investors still deterred by the possibility that its £150m bid for Amel of Canada could be referred to the Monopolies Commission; dealings in Mitei were resumed after a brief suspension on the London and Toronto exchanges and the shares closed 50 lower at 380p.

Gold miners
A better trend in bullion helped gold and related sectors of mining markets end a difficult week on a firm note. The metal price gradually improved during the day to close a net \$325 higher at \$333.75.

FINANCIAL TIMES STOCK INDICES

Table with columns for Jan 24, Jan 23, Jan 22, Jan 21, Jan 20, Jan 17, year ago. Rows include Government Secs, Fixed Interest, Ordinary, Ord. Div. Yield, Earnings, P/E Ratio, Total Returns, Equity Turnover, and Shares Traded.

HIGHS AND LOWS

Table with columns for High, Low, and S.E. Activities. Rows include Govt. Secs, Fixed Int., Ordinary, and Gold Mines.

RECENT ISSUES

Table with columns for Issue Price, Amount, Date, and Stock. Rows include Abbott Mead, Ashby, Cable & Wireless, etc.

FIXED INTEREST STOCKS

Table with columns for Issue Price, Amount, Date, and Stock. Rows include Allied Nat. Props., Brit. Assets, etc.

RIGHTS OFFERS

Table with columns for Issue Price, Amount, Date, and Stock. Rows include Barham Group, Cannon St. Inv., etc.

LEADERS AND LAGGARDS

Table with columns for Percentage changes since December 31, 1985, based on Thursday, January 23, 1986. Rows include Mining Index, Textiles, Tobacco, etc.

NEW HIGHS AND LOWS FOR 1985/86

Table with columns for New Highs (51), New Lows (37), and Stocks. Rows include British Funds, Equities, and Fixed Interest Stocks.

RISES AND FALLS YESTERDAY

Table with columns for Yesterday, On the week, Rises, Falls, Same, etc. Rows include British Funds, Corporate, Industrial, etc.

YESTERDAY'S ACTIVE STOCKS

Table with columns for Stock, Closing Price, Day's Change, etc. Rows include Acorn Computer, BTR, Beecham, etc.

THURSDAY'S ACTIVE STOCKS

Table with columns for Stock, No. of Thrs., Day's Change, etc. Rows include Acorn Computer, BTR, Beecham, etc.

5-DAY ACTIVE STOCKS

Table with columns for Stock, No. of Thrs., Last Change, etc. Rows include Acorn Computer, BTR, Beecham, etc.

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS

Table with columns for Issue, Amount, Date, and Stock. Rows include Asian Devt. Corp., Australian Govt., etc.

UK PUBLIC BONDS

Table with columns for Issue, Amount, Date, and Stock. Rows include Agricultural Mortgage, Govt. Bonds, etc.

COMMONWEALTH GOVT.

Table with columns for Issue, Amount, Date, and Stock. Rows include South African, Jersey Electricity, etc.

FOREIGN STOCKS

Table with columns for Issue, Amount, Date, and Stock. Rows include China, France, Germany, etc.

STERLING ISSUES BY OVERSEAS BORROWERS

Table with columns for Issue, Amount, Date, and Stock. Rows include Bank of Greece, Credit Lyonnais, etc.

BANKS, SUCROB

Table with columns for Issue, Amount, Date, and Stock. Rows include Bank of India, Citicorp, etc.

BREWERIES

Table with columns for Issue, Amount, Date, and Stock. Rows include Allied Breweries, Carlsberg, etc.

COMMERCIAL, INDUSTRIAL

Table with columns for Issue, Amount, Date, and Stock. Rows include AAM Higgs, Acorn Computer, etc.

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STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from the Thursday's Stock Exchange Official List and should not be reproduced without permission.

Table of stock exchange dealings including various shares and their prices.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

they are not in order of ascending order which denotes the day's highest and lowest dealing prices.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

Table of stock exchange dealings, continuing from the previous section.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts and their performance metrics, including columns for name, value, and change.

Advertisement for MHA (Methodist Homes for the Aged) featuring a photograph of an elderly woman and text describing their services.

Vertical text on the right edge of the page, possibly a page number or identifier.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including names, codes, and numerical values.

INSURANCES

Table listing insurance companies and their associated financial data, including names, codes, and values.

Handwritten Arabic text at the bottom of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds, including sections for Scottish Mutual Investments, Scottish Widows Group, and various international fund listings.

Table of insurance and overseas funds, including sections for Swiss Life, TSB Life, and various international fund listings.

Table of insurance and overseas funds, including sections for The English Trust Group, Equity & Law International, and various international fund listings.

Table of insurance and overseas funds, including sections for Money Market Bank Accounts, Money Market Trust Funds, and various international fund listings.

Vertical text on the right margin, including a large 'S k' logo and various small notices and advertisements.

# LONDON SHARE SERVICE

BRITISH FUNDS				AMERICANS - Cont.			
Stock	Price	Yield	Div	Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74	1000000 1000000 1000000	11.74	12.76	2.74

CANADIANS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

CORPORATION BONDS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

BUILDING, TIMBER, ROADS - Cont.			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

DRAPERY & STORES - Cont.			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

ELECTRICALS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

CHEMICALS, PLASTICS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

DRAPERY AND STORES			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

BEERS, WINES & SPIRITS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

AMERICANS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

BUILDING, TIMBER, ROADS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

AMERICANS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

ENGINEERING - Continued			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

INDUSTRIALS - Continued			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

FOOD, GROCERIES, ETC			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

HOTELS AND CATERERS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

INDUSTRIALS (Misc)			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

AMERICANS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

AMERICANS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

AMERICANS			
Stock	Price	Yield	Div
1000000 1000000 1000000	11.74	12.76	2.74

Financial Times Saturday January 25 1998. Includes market information and a handwritten note at the bottom: "مكتبة الامم المتحدة".



سكمان الشرق

INDUSTRIALS - Continued

Table of industrial stocks including companies like Anglo American, Anglo Coal, Anglo Iron, Anglo Steel, Anglo Zinc, Anglo Lead, Anglo Copper, Anglo Nickel, Anglo Potash, Anglo Soda, Anglo Fluorine, Anglo Phosphate, Anglo Uranium, Anglo Vanadium, Anglo Manganese, Anglo Tin, Anglo Silver, Anglo Gold, Anglo Platinum, Anglo Palladium, Anglo Rhodium, Anglo Iridium, Anglo Osmium, Anglo Rhenium, Anglo Technetium, Anglo Molybdenum, Anglo Selenium, Anglo Tellurium, Anglo Bismuth, Anglo Antimony, Anglo Arsenic, Anglo Vanadium, Anglo Niobium, Anglo Tantalum, Anglo Zirconium, Anglo Hafnium, Anglo Rutherfordium, Anglo Dubnium, Anglo Seaborgium, Anglo Bohrium, Anglo Hassium, Anglo Meitnerium, Anglo Darmstadtium, Anglo Roentgenium, Anglo Copernicium, Anglo Darmstadtium, Anglo Tennessium, Anglo Oganesson.

LEISURE - Continued

Table of leisure stocks including companies like Anglo Leisure, Anglo Entertainment, Anglo Media, Anglo Sports, Anglo Gaming, Anglo Gambling, Anglo Casinos, Anglo Hotels, Anglo Restaurants, Anglo Bars, Anglo Clubs, Anglo Nightclubs, Anglo Theaters, Anglo Concerts, Anglo Music, Anglo Books, Anglo Magazines, Anglo Newspapers, Anglo Radio, Anglo Television, Anglo Film, Anglo Video, Anglo Music, Anglo Books, Anglo Magazines, Anglo Newspapers, Anglo Radio, Anglo Television, Anglo Film, Anglo Video.

PROPERTY - Continued

Table of property stocks including companies like Anglo Property, Anglo Real Estate, Anglo Land, Anglo Development, Anglo Construction, Anglo Infrastructure, Anglo Utilities, Anglo Energy, Anglo Power, Anglo Water, Anglo Gas, Anglo Oil, Anglo Coal, Anglo Iron, Anglo Steel, Anglo Zinc, Anglo Lead, Anglo Copper, Anglo Nickel, Anglo Potash, Anglo Soda, Anglo Fluorine, Anglo Phosphate, Anglo Uranium, Anglo Vanadium, Anglo Manganese, Anglo Tin, Anglo Silver, Anglo Gold, Anglo Platinum, Anglo Palladium, Anglo Rhodium, Anglo Iridium, Anglo Osmium, Anglo Rhenium, Anglo Technetium, Anglo Molybdenum, Anglo Selenium, Anglo Tellurium, Anglo Bismuth, Anglo Antimony, Anglo Arsenic, Anglo Vanadium, Anglo Niobium, Anglo Tantalum, Anglo Zirconium, Anglo Hafnium, Anglo Rutherfordium, Anglo Dubnium, Anglo Seaborgium, Anglo Bohrium, Anglo Hassium, Anglo Meitnerium, Anglo Darmstadtium, Anglo Roentgenium, Anglo Copernicium, Anglo Darmstadtium, Anglo Tennessium, Anglo Oganesson.

INVESTMENT TRUSTS - Continued

Table of investment trusts including companies like Anglo Investment, Anglo Trust, Anglo Fund, Anglo Portfolio, Anglo Equity, Anglo Bond, Anglo Income, Anglo Growth, Anglo Dividend, Anglo Capital, Anglo Risk, Anglo Return, Anglo Performance, Anglo Risk, Anglo Return, Anglo Performance.

FINANCE, LAND - Cont.

Table of finance and land stocks including companies like Anglo Finance, Anglo Land, Anglo Banking, Anglo Insurance, Anglo Securities, Anglo Commodities, Anglo Derivatives, Anglo Options, Anglo Futures, Anglo Swaps, Anglo Structured, Anglo Alternative, Anglo Hedge, Anglo Arbitrage, Anglo Speculation, Anglo Investment, Anglo Risk, Anglo Return, Anglo Performance.

MINES - Continued

Table of mine stocks including companies like Anglo Mine, Anglo Coal, Anglo Iron, Anglo Steel, Anglo Zinc, Anglo Lead, Anglo Copper, Anglo Nickel, Anglo Potash, Anglo Soda, Anglo Fluorine, Anglo Phosphate, Anglo Uranium, Anglo Vanadium, Anglo Manganese, Anglo Tin, Anglo Silver, Anglo Gold, Anglo Platinum, Anglo Palladium, Anglo Rhodium, Anglo Iridium, Anglo Osmium, Anglo Rhenium, Anglo Technetium, Anglo Molybdenum, Anglo Selenium, Anglo Tellurium, Anglo Bismuth, Anglo Antimony, Anglo Arsenic, Anglo Vanadium, Anglo Niobium, Anglo Tantalum, Anglo Zirconium, Anglo Hafnium, Anglo Rutherfordium, Anglo Dubnium, Anglo Seaborgium, Anglo Bohrium, Anglo Hassium, Anglo Meitnerium, Anglo Darmstadtium, Anglo Roentgenium, Anglo Copernicium, Anglo Darmstadtium, Anglo Tennessium, Anglo Oganesson.

INSURANCES

Table of insurance stocks including companies like Anglo Insurance, Anglo Life, Anglo Fire, Anglo Marine, Anglo Aviation, Anglo Motor, Anglo Health, Anglo Accident, Anglo Sickness, Anglo Disability, Anglo Pension, Anglo Annuity, Anglo Bond, Anglo Equity, Anglo Income, Anglo Growth, Anglo Dividend, Anglo Capital, Anglo Risk, Anglo Return, Anglo Performance.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Anglo Paper, Anglo Printing, Anglo Advertising, Anglo Media, Anglo Entertainment, Anglo Communications, Anglo Information, Anglo News, Anglo Journalism, Anglo Publishing, Anglo Distribution, Anglo Retail, Anglo Wholesale, Anglo Retail, Anglo Wholesale.

TEXTILES

Table of textile stocks including companies like Anglo Textile, Anglo Fabric, Anglo Apparel, Anglo Fashion, Anglo Retail, Anglo Wholesale, Anglo Retail, Anglo Wholesale.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Anglo Shoes, Anglo Leather, Anglo Footwear, Anglo Retail, Anglo Wholesale, Anglo Retail, Anglo Wholesale.

OVERSEAS TRADERS

Table of overseas traders stocks including companies like Anglo Overseas, Anglo Trade, Anglo Commerce, Anglo International, Anglo Global, Anglo Cross-Border, Anglo Multi-National, Anglo Transnational, Anglo Pan-Regional, Anglo Inter-Regional, Anglo Intra-Regional, Anglo Local, Anglo Retail, Anglo Wholesale.

PLANTATIONS

Table of plantation stocks including companies like Anglo Plantation, Anglo Rubber, Anglo Palm, Anglo Sugar, Anglo Cocoa, Anglo Tea, Anglo Coffee, Anglo Tobacco, Anglo Spice, Anglo Fruit, Anglo Vegetable, Anglo Grain, Anglo Livestock, Anglo Aquaculture, Anglo Forestry, Anglo Conservation, Anglo Environmental, Anglo Sustainability, Anglo Social, Anglo Governance, Anglo Ethics, Anglo Compliance, Anglo Risk, Anglo Return, Anglo Performance.

NOTES: High and Low marked that has been adjusted to allow for rights issues... Other notes regarding market conditions and company announcements.

Wardley KNOWS money doesn't grow on trees

You need a world of experience... see this page...

# FINANCIAL TIMES

Saturday January 25 1986

You need a world of experience to make your money grow!

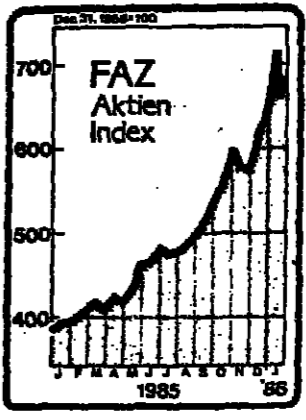
Wardley KNOWS HOW see this page

## THE LEX COLUMN

# Poison pint from DCL

The casting of Guinness in the role of white knight looked a desperate manoeuvre by Distillers when it was announced on Monday...

Index rose 5.8 to 1126.2



### German equities

The staid old Frankfurt stock market has never known anything like it. In the first four days of this week, the FAZ Index lost almost 8 per cent of its value...

## Bidding in Westland stock 'could hit rescue'

THE INTENSE activity in Westland shares this week has cast a shadow over the revised rescue plan...

The frantic buying of Westland shares has created a false market which bears no relation to the real value of the company...

## Landslide eludes Ulster unionists

ULSTER UNIONIST hopes of an unequivocal victory in the 15 by-elections they called to protest against the Anglo-Irish agreement...

VOTING COMPARISONS table showing 1983 and 1984 General Elections for Sinn Fein and SDLP.

## Ugandan guerrillas put military government on edge of collapse

GUERRILLAS OF Uganda's 10,000-strong National Resistance Army were holding positions throughout Kampala yesterday...

## Deal near in teachers' dispute

A SETTLEMENT of the teachers' dispute in England and Wales was in sight last night after the employers improved their phased pay offer...

## Brittan resigns over leak Continued from Page 1

sulted, that she deeply regretted the failure to consult Sir Patrick, and that she wished the manner of the disclosure had been otherwise.

CHIEF PRICE CHANGES YESTERDAY table with columns for RISES and FALLS, listing various commodities like Treas 12pc 1981, Exch 12pc 13/17, etc.

WORLDWIDE WEATHER table with columns for location and weather conditions for various cities like Alacozar, Alcazar, Almaden, etc.

## Tin Council ready to negotiate over debts

THE INTERNATIONAL Tin Council, which owes hundreds of millions of pounds to banks and metal brokers, has agreed to negotiate with its creditors over settling the three-month-old tin market crisis.

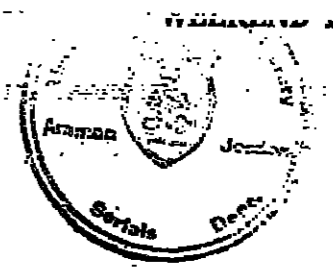
## Uncertainty

Continued from Page 1. Includes charts for 5-Mth Interbank Rate, Brent Spot Oil Price, and Sterling Index. Text discusses economic uncertainty and market trends.

Wardley logo and contact information for Wardley Unit Trust Managers Limited, 7 Devonshire Square, London EC2M 4JN.

WEEKEND FT

Saturday January 25 1986



MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

Born to be rich

Gerald Grosvenor's property interests make him Britain's wealthiest man. But he says the law is now undermining his fiefdom. Michael Cassell reports.

GERALD Cavendish Grosvenor, sixth Duke of Westminster, Earl Grosvenor, Viscount Belgrave, Baron Grosvenor, retains a suitably aristocratic equilibrium as he contemplates the forced break-up of the London property estate behind his best-known title—that of Britain's richest man.

occupying leasehold properties the legal right to acquire them freehold. Introduced by a Labour government more interested in restricting the role of the private landlord than in promoting the spread of home ownership, the legislation has been increasingly criticised by those who stand to benefit—and increasingly criticised by those who stand to lose.

them down." As for those who buy a leasehold home with the hope of eventually buying the freehold: "A purchaser always has the option to buy a freehold property. If that is what he wants, then that is what he should do in the first place. Neither am I forcing anyone to live on the London estate."



John Springs

Valuations are carried out, but the results are not for public consumption. The all-important London estate takes in "flagship" properties like the American embassy in Grosvenor Square, the Connaught hotel, and all of Belgrave Square.

The Eaton estate, outside Chester, has 10,500 acres of farmland, 350 cottages and, at its centre, the controversial stately home built by the present Duke. Designed as an example of 1970s architecture in a country house setting, estate workers still dare to suggest he should tear it down; but the Duke believes every generation must leave behind something of its own.

for Grosvenor Developments, the property development arm which started life in 1968 and, having recruited a team of professional property men, has since created for itself and a variety of institutional partners a series of major office, industrial and shopping centre investments.

The Long View

The \$64 trillion question about oil

IF YOU listened only to market talk, you would soon conclude that the whole economic—and indeed political—future of Britain rests in the hands of the oil dealers. Will Britain act to prevent an oil price war? No, says the Chancellor.

We have not had a free market in oil and have little idea of what kind of results it would deliver. It could be a lower but stable price, or it could be a short-term glut followed by a famine, writes Anthony Harris



exchange rate will make British products more competitive, there should be a rise in activity which will help industry to absorb higher costs.

roundabouts in the world outside, with falling income for oil exporters, but rising spending power abroad, are also encouraging for Britain. There will certainly be problems in the London-based credit markets, with some countries like Mexico and Nigeria going on the critical list, and others like Brazil recovering. It is also our bad luck that our exporters tend to specialise in selling to oil producers. You can't win them all.

This is because if substantial reserves have been located, it does not pay to search for more. All the same the forecast seems to have shaken the nerve of the oil majors, the Seven Sisters, who had previously run a buyers' cartel. It gave heart to the producers, and also made them start worrying about the fact that their oil would not last for ever. They raised the price to make the most of what they had; and that Adam Smith would tell you, would also ensure that the world extracted the best value from the oil.

CONTENTS

Finance: Expatriate wives VII
Survey: Taking your car on holiday VIII
Property: Houseboats X
How To Spend It: Ties XIII
Books: Literary competition results XIV
Arts: A National Archive for music XV
Arts: Family and Gardeners' How to Spend It XVI
Maritime XVII
Motoring XVIII
Property XIX
Spirit Stock Markets XX
London New York Paris XXII
Travel XXIII
TV and Radio XXIV

THE ROBERT FRASER GROWTH TRUST

The only opportunity for Unit Trust investors to benefit from the acknowledged investment expertise of BRIAN BANKS

Table with 2 columns: Unit Trust Name, Current value of £100 invested from January 1 to December 16, 1985. Includes UK General, TR General Growth, Stewart Ivory/Brit Capital, Robert Fraser, Mercury General, S&P Scot Shares, Fidelity Growth & Income, Henderson Income & Assets, M&G Midland & General, Trades Union Units, Henderson Income & Growth.

Over a 20 year period Brian Banks has become widely recognised as one of the City's most successful fund managers through good and bad Stock Market conditions. Since March 1985 he has been the investment director of Robert Fraser Trust Management Limited, the managers of the Growth Trust, the only unit trust with which he is involved.

Please send details of The Robert Fraser Growth Trust, to: Name, Address, Postcode. Robert Fraser Trust Management Limited, Fraser House, 29 Albermarle Street, London W1X 3FA. Telephone: 01-493 3211. Night/Weekend Answerphone: 01-493 4221.

MARKETS

Battle of oil prices and interest rates

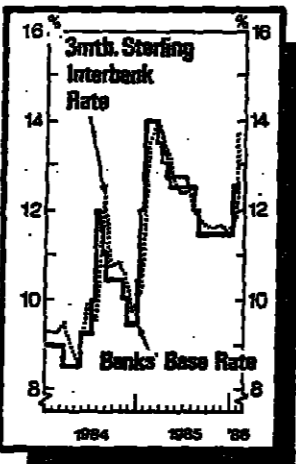
THESE ARE volatile and conflicting times. The oil price is proving to be every bit as weak as the pessimists had feared.

To concentrate on stocks with a high proportion of overseas earnings to the detriment of domestic orientated companies.

London

imminent, and those funds who remain long term bulls of the market are not going to be heavy sellers while some are actually using the opportunity of a little weakness to buy stock.

It is a sobering thought that, with 13 per cent available for 12-month cash deposits, the All-Share index will have to rise to around 730 on year's view just to match the returns from holding cash.



The Princess and Metropole hotel chains are both thought to have prospered from high levels of tourism and the London casinos should have had a good second half.

It had realised that the industry leader could be embraced a year later perhaps Raymond Biquet would have been left alone at Bell for Guinness.

Yet in accepting Guinness, the defence has brushed away its basic arguments—splashed over the Press in recent weeks—that it does not need outside management help and that a successful Argyle would be disadvantaged because of high balance sheet gearing.

Conditions were not at their most favourable for the flotation. The market as a whole turned down between the price fixing and the closing of the application list.

New issues aside, the fruit and vegetable merchants have attracted the most attention on the USM in the past week or so, particularly in the light of last year's adverse weather conditions.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change 1985/86, 1986/87, High, Low, Currency/interest rate uncertainty. Lists various market indices and commodities like FT Ordinary Index, BTR, Beecham, etc.

Weather takes its toll

IT IS hard not to feel a degree of sympathy for Wickes, the building materials and do-it-yourself retailer whose offer for sale brought such a poor response this week.

USM

UNLISTED SECURITIES MARKET

out by Whitworth's Foods three days earlier. Wold recorded a 27 per cent increase in pre-tax profits to £1m, but the improvement was a less-impressive 16 per cent at the trading profit level.

face of a significant decline in turnover. Sales values fell because potato prices plummeted, but Whitworth's profits on potatoes rose because it increased sales volume.

Like Whitworth's, Appletree is mainly a supplier of fresh pre-packed vegetables to supermarkets and its vulnerability to price shifts is similarly limited.

All three tales illustrate the sort of dangers that lie in wait for companies which tie their fortunes too closely to such as unreliable as the British weather.

Richard Tomkins

Strong year for Lonrho

Lonrho was characteristically terse in its comments at the interim stage last summer but the results provided enough of a guide to suggest that the figures for the year to September, due out on Thursday, will show a strong advance.

The City expects a £10m dealing profit from the sale of House of Fraser shares to help take Lonrho's full-year profit to £160m against £135.4m last time.

The City agrees that Rank Organisation's managed businesses, now fully revamped and reorganised, will have made excellent progress in 1987.

Results due next week

The group has been absorbing its recent acquisitions of two discount houses, Alexanders and Jessel Toynbee. Then, there is its association with stockbroker Laing and Crickbank and its disposal of all but a minority in US fund manager Oppenheimer and Co.

Merchants House Holdings, the leading securities trader and investment bank, to resume the upper part of its interim results on Tuesday. A 20 per cent advance in pre-tax profits to around £33m is anticipated for the six months to October 31, though whether this can be sustained beyond the present financial year is more doubtful.

The full year's results from Mer and G, the prominent unit trust and investment management group, should show a near £2m improvement in pre-tax profits to £9m for the year to September 30.

INTEREST RATES: WHAT YOU GET FOR YOUR MONEY

Table showing interest rates for various financial products: CLEARING BANK, BUILDING SOCIETY, NATIONAL SAVINGS, MONEY MARKET ACCOUNTS, BRITISH GOVERNMENT STOCKS. Columns include Quoted rate, Compounded return for taxpayers, Frequency of payment, Tax, Amount invested, and Withdrawals.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND DEALS

Table with columns: Company bid for, Value of bid per share, Market price, Price before bid, Value of bid, Bidder. Lists various companies like Anglo-Indonesian Co, Business Comptr, etc.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Lists companies like Appletree, A & P, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p). Lists companies like AGB Research, Alex, etc.

RIGHTS ISSUE

Midsummer Inms—£3.5m rights issue at two for three at 215p.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Brookmount—USM placing of 1.5m shares at 160p. Microsystems Group—USM placing of 2.4m shares at 127p.

Advertisement for 'NOWADAYS, THIS SQUADRON LEADER CRIES' featuring a photo of Squadron Leader R. G. n and text about mental welfare services.

MARKETS

A nasty little surprise packet

WALL STREET has just experienced one of those weeks when investors have not known what to expect next. Shares have been buffeted from every direction, moving under the sometimes conflicting influence of the GNP numbers, oil price anxieties, and mixed signals from the corporate earnings season...

On the economic front, the equity market has had very little positive news. The Group of Five meeting of Western finance ministers at the weekend apparently decided to do nothing very concrete about lowering interest rates...

Wall Street

earnings. But life is never that simple on Wall Street. A more powerful and sustained response was to put out hefty sell orders on many of the big US banks, whose conditions will not be helped by the falling value of their energy loans.

Meanwhile, with speculation

down to around \$15 a barrel, and total uncertainty about the production plans of the UK and Norway, the oil companies and oilfield engineering groups were themselves coming under pressure. Some analysts have estimated that even if oil prices stabilised at around \$20 a barrel, the domestic integrated energy companies could see a decline in earnings of between 30 and 80 per cent.

The nervousness about banks and the oil companies was contagious. By midweek it had engulfed the technology stocks, with muddled rumours about earnings prospects at IBM hitting jittery investors in the solar plexus.

The question now is: how much of a support level will the 1500 mark prove to be? There is no doubt that it is something of a defence—the index bounced back up on Thursday as soon as it touched 1500—but many analysts believe that prices will have to go lower in an extended correction before a further run-up.

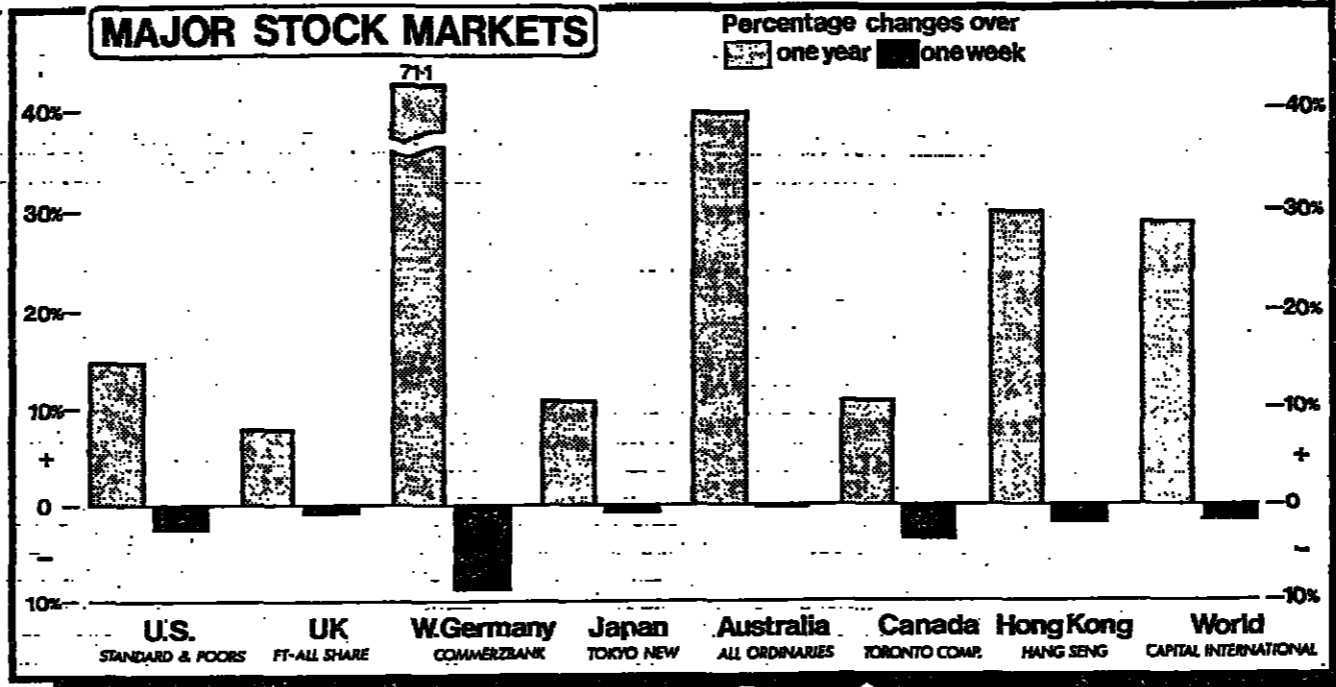
Larry Wachtell of Prudential-Bache Securities, for example, has been arguing that the phenomenal pre-Christmas run has left prices so bloated that the index is likely to fall back to around 1400 while the corrective process goes on over the next few weeks.

Michael Metz of Oppenheimer is somewhat more pessimistic, arguing that shares could be struggling for at least six months, and probably even more.

In the longer run, other analysts argue that the oil price break could be extremely beneficial to equities because it will feed into lower industrial costs and lead to higher growth. It might be that lower oil prices will eventually provide the necessary stimulus to growth—provided, of course, that deflators of a precipitous fall can be successfully negotiated.

MONDAY 1529.13 - 7.57  
TUESDAY 1514.45 -14.68  
WEDNESDAY 1502.29 -12.16  
THURSDAY 1511.24 + 8.95

Terry Dodsworth



Waiting for the Right to return

THE SARDONIC headline in L'Humanite, the French Communist daily, last Monday, read: "On Wall Street, the Socialist stock is climbing." This was in reaction to a pre-weekend trip to New York by Pierre Berégovoy, the Finance Minister during which hardened capitalists in the US banking community handed him plaudits for the left's handling of the economy.

With a general election taking place in March and the right-wing opposition riding high in the opinion polls, investors on the Paris bourse are getting ready for a change of government.

The economic austerity package launched by Mr Berégovoy's predecessor Jacques Delors, in March 1985 marked the beginning of an unprecedented bull market that has seen the Paris general stock market index rise by nearly 150 per cent since then.

So, it is not entirely surprising that the prospect of the right's return to power is being faced with less than total equanimity by the Paris investment community.

This week in Paris, relatively quiet after a jump of 45 per cent in the bourse index last year and a further 3 per cent flurry in the first three weeks of January, was a good time for investors to take stock.

Eyes have been less on corporate news than on the political tea leaves. Even Monday's news of the Channel Tunnel Group's success in the competition to build the fixed

link failed to give much lift to leading French construction groups in the CTO/France Manche consortium. Attention has been turning more to the consequences for financial markets—most notably, the package of privatisation sales promised by the Right—that could be in store after March.

The Right's economic propositions, unveiled in a joint "platform" drawn up by the combined RPR and UDF parties earlier this month, are long on principles but short on details.

One of the few proposals holding out direct promise for equities in the Right's plan to align tax treatment on bonds and shares. At present, bonds benefit from an extremely low 25 per cent level of withholding tax. Fiscal treatment of equities, while made more

generous under the Socialists, has failed to keep pace.

Some right-wing politicians have also been proposing measures that could open up French companies to the prospect of aggressive takeover bids from outside groups—events seldom seen in Paris but which seem certain to become progressively more common.

Suppressing the practice under which companies can be controlled by small groups of shareholders owning shares with double voting rights would change the balance of share-

holder power for perhaps a quarter of the 180 stocks quoted on the most active "monthly settlement" section of the Paris bourse.

The part of the Right's programme attracting by far the most attention, however, is denationalisation. The Right has promised to sell off state stakes over the five-year legislative period in all the nationalised banks and insurance groups as well as the six big industrial companies taken over in 1982.

The Socialist Government has taken a leaf out of the book of the Earl of Stockton by securing the Right of wanting to find a painless way to stock out state finances to finance tax cuts. There is also, however, some modest pre-electoral propaganda being made of the fact that the banks and industrial groups acquired by the state in 1982 for FF 45bn are now worth, on conservative estimates, FF 150bn.

If the Socialist Government is still pretending to be against denationalisation, the heads of the nationalised companies are not so coy.

Lolk Le Floch Prigent, the Socialist civil servant who was appointed chairman of the nationalised chemical group, Rhone-Poulenc, in July 1982, has come out publicly in favour of denationalisation. Edith Cresson, the Trade and Industry Minister, who is nominally in charge of the nationalised groups, said this week she was "surprised" by Mr Le Floch's remarks.

However, leading executives

at other state-owned corporations and banks—including Thomson in defence electronics, Compagnie Generale d'Electricite in engineering and telecommunications, and the two big financial and industrial holding groups, Paribas and Suez—are making no secret of their active denationalisation plans.

Suez is unveiling a new capital market funding issue on Monday that could pave the way for denationalisation. Thomson CSF, the bourse-quoted subsidiary of a Thomson holding company (which, in fact, makes up two-thirds of the group), is simply waiting for a political green light to raise equity from the markets (at present it is owned 51 per cent by the state-owned holding company) and thus "go private."

Alcatel, part of the CGE group, Pechiney, the state-owned aluminium company, and Credit Industrial et Commercial, the large state banking group, are all in the next few weeks making separate fundraising issues on the bourse that could provide a backdoor route to bringing in genuine private equity later on.

The threat of state flotations puts a question mark over the absorptive capacity of the bourse. But since all the companies are interested in carrying out capital increases in tandem with selling state stakes, it is certain that foreign investors will plenty of choice of denationalisation issues in 1986.

David Marsh

'Johnnies' gets that magic look

DIAMONDS, platinum and gold—what a magical combination for any mining company! The magic has an extra sparkle in the case of Johannesburg Consolidated Investment ("Johnnies"), which, as a South African company, sees its revenue from the high value dollar sales of those precious products transformed by exchange rates into a wealth of domestic currency.

Take platinum, for a start. "Johnnies" gets its income from this metal via the investment in South Africa's big Rustenburg Platinum Holdings. In the first half of the present financial year to June 30, Rustenburg's platinum sales and dollar prices received were lower than those of a year ago.

But—hey presto!—the falling value of the rand resulted in Rustenburg's net profits jumping 76 per cent to R104.6m (£32.8m). Furthermore, the company expects them to rise again, albeit to a lesser extent, in the second half of the year.

Meanwhile, it has lifted its interim dividend to 62.5 cents from 35 cents.

"Johnnies" has also had a good half-year. The rise in its mineral revenue has outweighed the effects of the more difficult times being experienced by the domestic industrial interests, as I suggested in September when the chairman warned that profits of the latter were "likely to worsen significantly in the immediate future."

Mining

As it is, net profits of the group have moved up to a record R75.3m in the latest period from R62.2m a year ago. The interim dividend has been raised to 32.5 cents from 200 cents, although part of this increase is designed to reduce the disparity between interim and final payments.

"Johnnies" profits might well show a stronger rise in the second half. The latest increase in the Rustenburg dividend will come into the results for this period, while the diamond and gold interests should continue to do well.

It is also worth remembering that the chrome side is doing very well—South African production costs are only about half those of the nearest competitors, the Finns.

From Australia, the base metal and coal-producing MIM

Holdings has produced some encouraging half-year results after the previous saga of losses brought about by low product prices and the company's misreading of exchange rate movements.

After returning to profitability in the final months of the year to last June, MIM has made a net profit of A\$30.8m (£15.7m) in the first half of 1985-86, which compares with a loss of A\$26.5m in the same period of the previous year.

Helping the turnaround have been the exchange benefits of the depreciated Australian dollar, coupled with reduced unit costs and a "significant" increase in sales.

MIM is still not out of the wood, notably with a heavy debt burden on its hands. Still, the company seems to be getting its act together, and with the big coal operations now earning money, it could do better in the second half.

Now to a tale of curious goings-on in Western Australia—where else? The story opens on New Year's eve, not very far from Kalgoorlie. Hardly had the echoes of midnight chimes faded when a sinister version of "first footing" might have been observed.

Away from the bright lights and beery bonhomie of the Palace Hotel in that mining town, shadowy figures armed with hammers and stakes scurried over the Paddington gold mine property of Pancontinental Mining.

Word had reached them that because of an alleged oversight, the company had failed to renew its mining leases, which expired at the end of 1985. Thus, after the stroke of midnight the young mine was, in theory, up for grabs to anyone prepared to stake their claim.

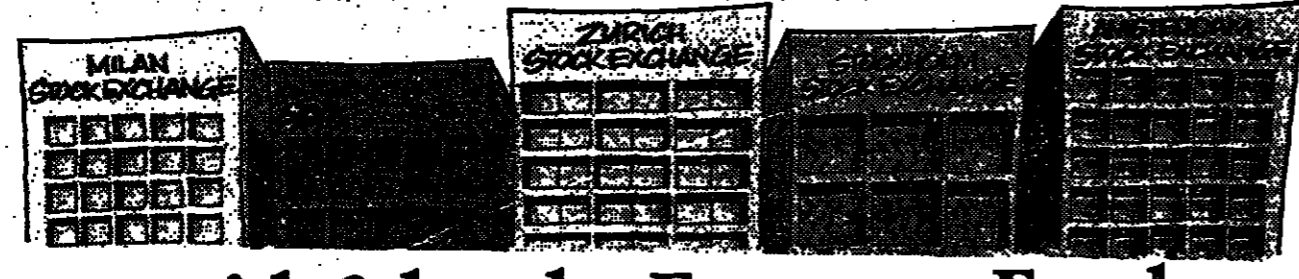
And grab was what those Kalgoorlie cowboys did, hammering in the legal claim posts by the light of torch and star.

By dawn, claims had been pegged over large areas of the mining property by three groups of invaders. Had Pancontinental lost its A\$30m mine? Anxious days of legal discussion followed.

In the end, David Parker, the West Australian Minister for Minerals and Energy, decided he was empowered to extend the time limit for the company to renew its leases. So, a relaxed Pancontinental got its mine back, although it had been tough and go.

Kenneth Marston

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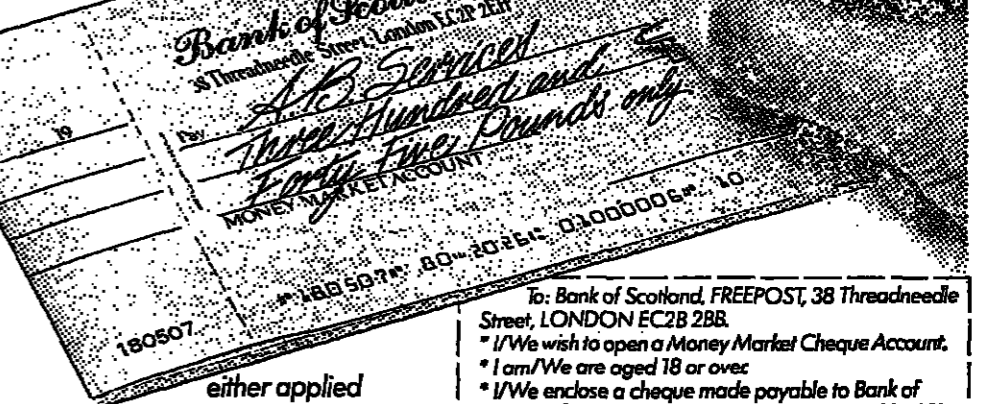
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Form for opening a Money Market Cheque Account, including interest rates (9.08% = 9.47% = 13.53%) and application details.



Overseas Funds

Robeco challenges the taxman

ROBECO, the big Dutch-based international investment group, has hit out angrily at the discriminatory tax treatment being suffered by its thousands of British shareholders.



Quicker way home

THE Abbey National Building Society is to give potential homebuyers a certificate guaranteeing them a mortgage, with the aim of speeding up and simplifying house buying.

ful it may consider it more closely. But it points out that it already has a flexible mortgage system which enables it to meet all reasonable requests from borrowers.

AS YOU sit there having your car tyres blow-dried away by your hairdresser it may have occurred to you—when you start counting the cost—that this must be a profitable business to invest in.

If you get left money, don't get left wondering what to do with it

For most people, inheriting more money than they are accustomed to handling is a unique experience.

Advertisement for CU Prime Investment Bond, featuring a coupon with fields for name, address, and phone number, and a stamp area.

Advertisement for 'THE BESURE TRUST FUND 1985/1986', a new BES investment linked to an investors' protection concept, with details on investment and contact information for Anglo-American Trust Co. plc.

IF STOCK index futures and options appeal you can now put your money into a fund which has some of its assets invested in US stock index futures.

This 'sub-fund' will invest in 500 Standard and Poor 500 Colonial and options traded on the Chicago Mercantile Exchange and futures on the Major Market Index of 20 blue chips traded on the Chicago Board of Trade.

The fund, which is registered in Jersey, will initially be marketed mainly to offshore investors although UK residents can invest through intermediaries such as professional advisers.

A somewhat less exotic launch for a fund, also registered in Jersey, is the extension of Hill Samuel's International Bond Fund.

Crucial times

INVESTORS and prospective investors in Business Expansion Schemes (BES) will have read with some apprehension recent comments on the attitude of the Inland Revenue to certain asset-backed issues.

There are two crucial time periods to consider: the first relates to the investor, the second to the company.

The first begins two years before the issue of the shares and ends five years afterwards. During this period, the investor must not become 'connected with' the company.

The second time period begins with the date when shares were issued — or, if later, when trading began — and ends three years later.

Change in the menu

RESTAURANTS ARE a hit and miss business. Some are very successful for no apparent reason, while others with all the right ingredients unexpectedly fail.

Nevertheless, Charlotte Street Restaurants, which raised over £2m last year to relaunch the popular old Berrettelli restaurant under a new name, Cafe Italien des Amis du Vin, feel confident enough to seek another £2.9m from investors.

The Revenue is likely to exclude any share trades that seek to exploit the BES and, in reality, are no more than vehicles for investment in appreciating assets.

There is one short but effective anti-avoidance provision in the BES legislation to prevent misuse. This is aimed at schemes or arrangements designed to avoid tax and the Revenue might use this provision if it is unable to catch a company or individual in any other way.

Risks go... at a cost

ONE OF the main worries with business expansion schemes is the high risk often involved in backing entrepreneurial ventures, which tends to offset the generous tax concessions given.

The new approach adopted for the BESure fund is that one-third of your investment is used to pay for an insurance indemnity policy arranged through Guardian Royal Exchange Assurance which will limit any potential losses suffered by the investor.

The arrangement works ideally for the 50 and 60 per cent taxpayers who should get their money back when taking the tax relief into account even if the BES venture proves a financial disaster.

The managers hope to invest all money subscribed by April 5 to qualify for tax relief in the present fiscal year.

Advertisement for Johnson Fry, 'A CHOICE OF SIX BES INVESTMENTS FOR TAX RELIEF IN 1985/6', listing various investment opportunities like Chelsea Restaurants PLC and City and Capital Hotels PLC.

Advertisement for The Princess Alice Hospice, seeking donations and cash help, with contact information for Escher, Surrey.

Advertisement for Charlotte Street Restaurants' BRAGANZA, offering shares with BES tax relief, managed by Baltic Asset Management Limited.

# See the wealth warning

Richard Lambert looks at a book meant to make a lot of people rich.

"EVERYBODY ought to be rich." This worthy thought the title of a famous article in the Ladies' Home Journal of 1929 — represents a theme which has reappeared close to the top of bull markets throughout history, and should make prudent investors start their preparations for a dash to the hills.

So there is more than passing interest in the appearance of a new book, "The Zurich Axioms," which carries on its dust jacket the wealth warning: "This book could make a lot of people rich."

It is a book about high risks and high rewards, and it is of a type that could only appear after years of rising share prices. A bull market makes every investor a genius, by limiting the cost of mistakes and maximizing the return on successes. In a bear market, by contrast, precisely the opposite applies.

The underlying assumption is that speculation, if approached in the proper frame of mind, will bring wealth, and in monumental piles, rather than mere common or garden riches. It is a pleasantly nostalgic idea for those who remember the days of innocence in the late 1960s before the fall of IOS and Jim Slater. It has no doubt helped to make a lot of people quite rich in the past few years of easy pickings.

The philosophy is dressed up in fancy style—it "consists of 12 profound and mysterious rules of risk taking called the

Zurich Axioms—but underneath the hocus focus there are some good old home truths about the business of speculation. As Max Gunther, the author, breezily admits, they apply just as much to poker or roulette as to the stock exchange. In the end, he argues, "all investment is speculation. The only difference is that some people admit it and some don't."

In this view of the world the first rule, if you wish to rise above the great murk, is that you must put your money at risk. You must always play for worthwhile stakes and you should not attempt to hedge your bets by excessive diversification. You should take your profits and cut your losses early and you should not allow yourself to get emotionally attached to anything that you might have to be ready to sell tomorrow. You should not rely on forecasts, charts, stockists or anyone else who claims to be able to impose an orderly system on the jumble of human emotions which go to make up a market.

Successful speculators will not allow themselves to be swept along by what everyone else is doing and will continually be testing their own judgments to make sure that they are not being clouded by excessive optimism or by changing circumstances. "In handling your money, assume you are entirely on your own. Lean on nothing but your own good wits."

It sounds like an exciting life. One of Gunther's big and much quoted heroes is the fabled Wall Street trader Jesse Livermore, a man who made

and lost four separate fortunes as well as any number of stock market legends.

But Livermore's approach to his career was not without cost. As he once said, "every occupation has its aches and pains. If you keep bees, you get stung. Me, I get worried. It's either that or stay poor. If I've got a choice between worried and poor, I'll take worried anytime."

After the fourth fortune went in 1940, Livermore walked into New York's Sherry-Netherland Hotel, drank a couple of old-fashioned, and shot himself dead in the genit.

Most people will think that there has to be a less extreme way of approaching the stock market—and of course there is. It was pinned down by a much greater investment writer, Benjamin Graham, in his classic work on security analysis which was published over 50 years ago.

"An investment operation is one which, upon thorough analysis, promises safety of principal and an adequate return," Graham wrote. "Operations not meeting these requirements are speculative."

The first and most crucial decision which everyone has to take before leaping into the financial markets is about the extent to which they wish to be investors as opposed to speculators. If they come primarily into the latter category, they can probably afford to buy the Gunther book. If into the former, they can count themselves lucky that they are active in a period where inflation has fallen, real interest rates are high, and the tax regime is less punitive than it has been in the past—a time, in other words, when it is possible to secure an adequate return on financial assets without having to run absurd risks.

"The Zurich Axioms," by Max Gunther. Souvenir Press. £8.95.

A WOMAN of 35 quits her safe but tedious job with a large British manufacturing group for the more energetic world of an American consultancy company's enterprising London office.

Not surprisingly, the move's main attraction is a leap in salary from £15,400 to about £25,000 (together with the prospect of transatlantic travel). Our hypothetical unmarried professional woman expects this to amount to a net monthly pay rise of about £550.

But she has a problem: she will lose benefits. These include an attractive pension plan, life assurance paid for by her employer, a discount on a private health scheme, generous sick pay, and the chance to take part in an employee share scheme. These, all offered by the British company, are ruled out by her new American bosses. She also has an opportunity to clear her existing credit card debts, and use at least some of her extra income for investment.

She will need to think realistically about the dangers of reduced job security in her new post, and the threat of poorer health—she is approaching middle age—especially since she is only one year into a £90,000 mortgage.

Nicholas Andrew, a senior adviser at Robson Rhodes, chartered accountants, says: "Advisers often forget commercial reality in the process of fiddling around with a few extra pounds of tax relief. This woman will have to weigh up carefully her new company's prospects."

Since there is no pension plan available from her new bosses, she will have two choices. She can negotiate hard and try to persuade the company to offer her an executive pension plan. This would be paid for wholly or in part by her employer, and could yield an annual retirement pension of up to two-thirds of her final salary, provided she has completed 10 years' service. Her employer might be more

# Nick Bunker on hazards in job-changing Balancing benefits

ready to agree to this because his contributions could be offset against corporation tax at 35 to 40 per cent, provided they do not exceed 15 per cent of her earnings (which for this purpose include commissions and benefits in kind). He might, however, deduct his contributions from future pay increases.

Alternatively, she might have to opt for a personal pension plan as if she were self-employed. An accountant would probably advise her to choose either a unit-linked plan, in which the premiums (with a legal maximum of 17.5 per cent of her salary) buy units in a selected fund or funds; or one of the slightly less risky, more popular, with-profit schemes. Not all lenders will arrange a unit-linked scheme.

Whichever she chooses, she has the opportunity to link the purchase of a house to her retirement provision via a pension mortgage (which could also be arranged in conjunction with an executive pension if she manages to extract one from her prospective employer).

Pension mortgages provide for the repayment of the house price out of the lump sum payable from the plan on retirement: their attraction is that instead of repaying a loan gradually over the mortgage term, you pay interest only at the top marginal rate on this and also on the capital repayment made via the pension plan. There is no capital gains or income tax on the plan's own investments, and your mortgage is repaid out of the lump sum when you retire.

In our professional woman's case, that adds up to an especially promising package in

view of her sudden shift into a much higher tax bracket.

As a basic rate taxpayer with a £30,000, 25-year endowment mortgage arranged by Abbey National, she was paying out each month £31.25 gross, or £28.75 net after allowing for tax relief. Her monthly life insurance premium brought that up to £27.80. The package would yield a tax-free surplus of £21,043 after 25 years.

On the same basis, a pension mortgage would have cost her a net total of £281.75 monthly, but yield a tax-free surplus of £24,330 and an annual retirement pension of £16,351 at the age of 60. With a new salary of at least £24,000, paying tax at around 40 per cent of her earnings, her premiums in the case of the pension mortgage will actually fall, because her tax relief will increase.

One drawback is that she would lose the extra tax relief offered by the pension mortgage if she changed jobs again, and went to a company with its own pension scheme.

Uncertainties deriving from the greater insecurity of her new post should prompt her to look at permanent health insurance (PHI) as a way of replacing the generous sickness benefits available from her previous British employer. She should also seek a means of saving regularly as a way of building up an emergency fund which could also lay the basis for larger long-term investment.

PHI schemes provide guaranteed income in the event of sickness or disability. If she wanted an indexed guarantee of half her gross earnings (minus single person's state sickness benefit

of £1,991 a year), to become payable after one month off work, monthly premiums under Allied Dunbar's PHI scheme would be £97.28. This figure would fall to £40.63 if she wanted the policy's benefits to become payable only after three months of sickness.

As regards medical insurance to meet the cost of private health care, joining the British

United Provident Association's BUPAcare would cost her £29.20 a month. This could be reduced if she paid her premiums on an annual basis, took advantage of discounts offered through clubs and associations or credit card companies, or moved outside London.

This still leaves her without a substitute for the employee share option scheme she might have joined after five years with her former (Stock Exchange listed) company. Her best bet might be to horse-trade with her new employer in an attempt to win an agreed bonus based on any future increases in the company's value.

**HOW THE TWO PACKAGES COMPARE:**

	Old job	New job
<b>Salary:</b>	£15,400	£25,000 (net monthly pay rise £550)
<b>Pension:</b>	Provided by company plan. Benefit of one-fifth of final salary per year of service. Employee contribution about 5 per cent of salary (now about £65 monthly)	Provided through a personal plan, linked to mortgage (see below). Benefit of £16,351 annually at age 60
<b>Mortgage/life assurance:</b>	25-year, £30,000 endowment mortgage. Tax free surplus of £21,043 at term. Monthly cost (net of tax relief): £231.78	25-year, £30,000 pension mortgage. Tax free surplus £24,330 (plus pension—see above). Estimated net monthly cost: £200
<b>Sickness benefits:</b>	Company scheme. 32 weeks at full pay after five to seven years' service	Permanent Health Insurance scheme. 50 per cent of annual earnings guaranteed indefinitely. Monthly cost: £97.28*
<b>Private medical care plan:</b>	Discount (through employer) of 15 per cent on BUPA monthly premium of £29.20	Discount would probably still be available to her through possession of credit card
<b>Other benefits:</b>	Employee share option scheme	Possible bonus scheme subject to negotiation with employer

\* Figure assumes index-linking of benefits and one month deferral period.

# No credit where it's due

Want a charge card? Women can get a raw deal, reports Fiona Thompson.

FOUR office colleagues recently were asked by their employer to apply for charge cards. All were of a similar age and professional standing and had worked in the company for a similar period.

Three duly received their cards. One, the lone woman, was rejected. The Equal Opportunities Commission, to which she complained, said no legitimate reason could be found for turning her down.

Sprung on my many such complaints, the commission four years ago launched a study on women and credit. Its findings and recommendations, published this week, warn that women are not getting a fair deal.

The commission is not claiming that discrimination is intentional but rather that the scoring systems, the method used to assess an individual's creditworthiness, can be weighted against women. These have been a standard procedure in the US for more than four decades but were introduced to Britain only in 1973. It is estimated that over 90 per cent of all consumer credit decisions are now made by using such systems.

How they work is simple.

People wanting credit, fill in an application form giving personal details: occupation, where they live, how long they have been in their job, their previous credit and banking records and so on.

Each answer is allocated a certain number of points—for example, a home owner would get more points than someone in rented accommodation—which are then totalled to give an overall credit score.

The lynchpin of the system is a sample of satisfactory and unsatisfactory borrowers drawn from the creditor's record of previous customers. All available information about them is computer-analysed; the result is a list of those characteristics deemed to distinguish most efficiently between worthy and unworthy credit applicants.

A sound system, you would think. But any system is only as good as the information fed into it—and this is where the commission takes exception. It says that scoring systems are based predominantly on borrowing experiences with men.

The commission says that if male and female credit profiles were essentially similar, then any numerical imbalance in the sample of customers used to construct the system would not be significant. But the EOC believes there are marked differences in the personal circumstances of most men and women—the most important being employment patterns, earnings and financial behaviour—that will crucially affect the process of assessing creditworthiness.

June 1984 figures show that 46 per cent of all working women are part-time employees; while the latest available information on duration of employment indicates that just 14 per cent of women had been with the same employer for more than 13 years, compared with 30 per cent of men.

Until recently, women were significantly less likely than men to have bank current accounts. Fewer women than men seek overdraft and loan facilities and women on average borrow less and save more than men.

The EOC says such weighting can jeopardise an application from a woman, although she is not necessarily a worse credit risk; and that it is imperative the development sample is genuinely representative of the creditor's customer population today. "Our key objective is to reach a neutral system," says Lady Platt, chairman of the EOC.

Sex Equality and Credit Scoring, available free from Publicity Section, EOC, Overseas House, Quay Street, Manchester M3 3HN.

# Family matters

Margaret Hughes reports on a change arising out of the Government's action on friendly societies.

WITH FRIENDLY societies under the Inland Revenue spotlight, Family Assurance, one of the new-style societies, has amended the conditions of its family bond. This follows the decision by the Revenue when it decided to do its own marketing, previously undertaken by Dominion Financial.

In future investors will no longer have either the option of taking partial surrender of the tax free sum benefits at the end of the 10-year term to provide income nor of rolling-up the policy and continuing to earn tax free interest.

The only alternative available to investors to taking the lump sum in full at maturity will be to extend the policy for a further ten years and keep on

extending for further periods of ten years if necessary. This was not an option previously available to investors.

The family bond now meets new requirements which tax friendly societies have to meet to retain their "qualifying" status to give investors a tax-free capital sum at the end of 10 years. It reflects Government moves to bring tax exempt friendly societies more in line with other institutions offering similar products such as life assurance companies.

In relaunching the Family Bond the society has reduced its initial charges from a tiered charge of 66.66 and 75 per cent, depending on the investor's age, to a flat charge of 65 per cent so that 35 per cent of their outlay will be invested in the first year and 100 per cent thereafter.

The society claims that net result of the changes in its charging structure is an increased return of 150 at the end of ten years. Total investment in the Family Bond, as with other friendly society tax exempt policies is limited to an annual contribution of £100 over £100 years or £9 a month. These premiums are free of tax.

For investors who extend the policy for an additional ten years, the percentage of each contribution invested will be 105 per cent.

In launching its Family Bond as a new product Family Assurance has introduced a new Total Investment Bond which is a combination of a tax exempt and taxable investment.

Unlike the tax exempt Family Bond, investors can invest as much as they like above a minimum of £300 or £27 monthly from which £100 a year or £9 a month is allocated to the tax exempt part of the bond to provide a tax free lump sum at the end of 10 years.

# FRAMLINGTON EUROPEAN FUND

## A New Unit Trust Aiming for All-Out Capital Growth

Framlington European Fund will aim for maximum capital growth through investment in shares quoted on the principal European stock markets.

Europe is now one of the most popular areas for investment. But it is a diverse and complex market: for investment success strong links with the continent are highly desirable. Our own were completed on 19 December by a subscription by Crédit Commercial de France into Framlington Group plc, enabling us to combine CCF's expertise and knowledge of the European market with our own eminently effective approach to long term capital growth.

**TWO KINDS OF UNITS**  
Units are available in both income form (with a distribution once each year) or accumulation form (in which net income is reinvested). Since the aim of the fund is out-and-out capital growth, investors are recommended to choose accumulation units. The estimated gross initial yield is one per cent.

**HOW TO INVEST**  
Until 14 February units are available at the initial price of 50p each. To invest, complete the application form and send it to us with your cheque to arrive by 3pm on 14 February. Applications of £10,000 or over will receive a bonus of one per cent additional units at the expense of the managers.

**OUR RECORD**  
The two previous Framlington funds which have most closely followed this approach have been Capital Trust, investing in UK, shares; and American and General Fund, investing in the U.S.A. Both have done well.

Over the ten years to 1st January Framlington Capital Trust was the best performing of all the 271 unit trusts monitored by *Planned Savings* over the period. It turned an original investment of £1,000 into £11,462.

Over seven years, our American & General Fund (started 1978) was the second best performing unit trust out of the 26 investing in North American shares. It turned £1,000 into £4,339.

**OUR EUROPEAN LINK**  
Crédit Commercial de France is a substantial French bank with offices in nearly 40 countries and with total assets of over \$16 billion. It has a distinguished investment division with over FF 27 billion under management. Its research department is strong in continental European stockmarket analysis, particularly in smaller companies; CCF has, for example, taken a special interest in the French *Second Marché*.

Investors should regard all unit trust investment as long term. They are reminded that the price of units and the income from them can go down as well as up.

**SAVINGS PLAN**  
There are facilities for investing by monthly direct debit, with the first allocation of units on 14 February. For an application form, telephone 01-628 5181 before 7 February.

**GENERAL INFORMATION**  
Applications will be acknowledged; certificates will be sent by the registrars, Lloyds Bank Plc, normally within 42 days.

The minimum initial investment is £500. From 17 February units may be bought and sold daily. Prices and yields will be published daily in leading newspapers. When units are sold back to the managers payment is normally made within 7 days of receipt of the renounced certificate. Savings plans can be cashed in at any time.

Income net of basic rate tax is distributed to holders of income units annually on 15 July. The first distribution will be on 15 July, 1987.

The annual charge is 1% (+VAT) of the value of the fund. The initial charge, which is included in the offer price, is 5%.

Commission is paid to qualified intermediaries at the rate of 1.4% (plus VAT). Commission is not paid on savings plans.

The trust is an authorised unit trust constituted by Trustee Investments Act, 1961. The trustee is Lloyds Bank Plc.

The managers are Framlington Unit Management Limited, 3 London Wall Buildings, London EC2M 5NQ. Telephone 01-628 5181. Telex 8812599. Registered in England No 895241. Member of the Unit Trust Association.

This offer is not open to residents of the Republic of Ireland.

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FOR ACCUMULATION UNITS IN WHICH NET INCOME IS REINVESTED, PLEASE TICK HERE [ ]

SURNAME (MR/MRS/MISS/TITLE) \_\_\_\_\_

FULL FORENAME(S) \_\_\_\_\_

ADDRESS \_\_\_\_\_

SIGNATURE(S) \_\_\_\_\_

(Joint applicants should all sign and enclose details separately)

FT 25/1

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Pensions

'Trust me' says Mister Gloomy



Bob Beckman

Albermarle Financial Planning Services in London and other insurance broking companies in Manchester and Chester.

Two different plans are being offered. The Personal Retirement Plan for the self-employed or those not covered by a company scheme.

As with most pension plans of this kind, the charges are steep during the early years. In the first two years only 85 per cent of the contributions are allocated to units under the personal retirement plan, and only \$2.45 per cent if monthly payments are less than £200 (the minimum monthly contribution is £30).

In addition during the first year all contributions are invested in so-called "capital" units, on which an annual management charge of 5 per cent is imposed. Thereafter the contributions go into accumulation units with a 1 per cent a year charge.

So there is little point in investing in the Personal Retirement Plan if you have only a few years to go, unless Beckman's fund performs spectacularly — a difficult achievement when adopting a low risk strategy.

The younger investor will have to decide whether or not Beckman's gloomy view will be justified in the longer term. There is an escape route. You can switch to other Lloyd's Life pension funds, run by other advisers, free of charge.

John Edwards

Student grants

Parents beware

IF A child is the beneficiary of your pension scheme, then beware the problems this might present when they reach university age and apply for a student grant.

My niece found herself in such a situation. Her parents were divorced and she became the recipient of more than £1,500 a year when her school-teacher father died before reaching retirement age.

At first, it seemed a useful windfall to help pay for her education. What she had not bargained for was that it would directly affect the size of her grant.

Her mother's income was sufficiently low for her otherwise to have qualified for a full grant — £2,165 a year as a student studying at a London college. But if students have income of their own — as she did from her father's pension — this influences their eligibility for a grant.

As with parental income, some student income can be "disregarded" in the assessment — £425 from any source and £1,285 if from a scholarship or similar award. However, this does not apply to pension or trust income. According to Department of Education and Science (DES) regulations, this income has to be taken into account when determining a student's grant.

However, while the DES might draw up the regulations, it is the individual local education authorities (LEAs) which administer them. And as I discovered, some LEAs are more generous in their interpretation of the regulations than others. Should your LEA (like hers) not fall into the more generous category, however, there is another way around the problem — if you plan ahead and are prepared to wade through the regulations — which even the DES

admits are a "hornet's nest."

Part 11 Paragraph 5 reads: "Where in pursuance of any trust deed or other instrument... any income is applied by any person for or towards the maintenance, education or benefit of the student... or payments made to his parents are so applied, that income... should be treated as part of the gross income of the parent."

In effect, this means that if money — say, from a pension fund — does not go directly to the student but is routed through the surviving spouse or guardian specifically for educational purposes, then it would not be treated as the student's income.

Money so routed could, of course, make the surviving parent liable to make, or increase, their contribution to supplement the student's grant. Even so, in most cases this would still give the student a bigger grant than if the pension money was paid to the student directly.

The lesson is clear. If you expect your children to go to university and your pension scheme allows you the option, avoid making your children direct beneficiaries of it.

Mary Lind



The cost of learning

MONEY CONSCIOUS 18-year-olds applying for a university place this year should consider the financial consequences. Student grants go further in some parts of the country than others.

The full student grant in England and Wales for all universities outside London, is £1,830. But there are wide dis-

parities in the amount that students pay in rent, food, paper and even a pint of beer in the union bar.

Sussex University, near Brighton, appears to be one of the most expensive universities in the country, with students paying up to £40 a week for a room in Brighton or Hove. Their contemporaries in Newcastle can get away with £14 a week. While students at Manchester University, prepared to live in rented-out council house accommodation, need only pay around £8 a week.

Most university halls of residence charge around the same amount £17 a week for self-catering and £34 with meals provided. Rent is the most expensive at £22 a week for self-catering accommodation.

When it comes to insuring the goods and chattels in their room Manchester students may have problems. Those already studying there say that no insurance is available for some areas of Manchester. Elsewhere, the average premium varies from £12 in Aberdeen to £27 in Liverpool.

Students up and down the country tend to pay roughly the same amount for a meal — the average is £1 to £1.50. But a cup of coffee is most expensive at Sussex, 30p against an average of 20p.

Kate Rankine

BOB BECKMAN—surprise, surprise—is still gloomy about prospects for the UK economy and the stock market. The author of Downwave, the book published three years ago predicting gloom and despondency, has not changed his views in spite of the continued boom in the stock market to record levels. It must cause some confusion among regular listeners to his morning broadcasts on London's LBC radio, but he claims that the gloom is still inevitable and is just taking time to spread.

"An all engulfing depression doesn't happen all at once," he told a seminar in London earlier this week held to launch a new venture, the Beckman Pension Fund. "It starts in industry and then spreads slowly—the last to feel the effect are the consumers."

Nevertheless, Mr Beckman feels he can save the day. The planned pension fund will be linked to the Beckman International Capital Accumulator Unit Trust, which he launched in 1982, has followed a strict policy of avoiding any investment in equities.

Instead all its money (£33m) has been put into fixed interest instruments, such as gilts and bonds. In spite of missing the share boom the fund is claimed to have grown by 89 per cent mainly it seems, because of a good performance during the first year, 1982.

Money Management puts the growth in value of the Beckman unit trust at only 41 per cent during the past three years, with an original investment of £1,000 climbing to £1,414 compared with the top performing funds whose value rose to over £2,000 during the same period while the average gain was to £1,614.

Planned Savings also rates it as a below average performer during the past three years ranking 355th out of a total of 478 funds in 1983 must be a very good year for Beckman. He says his unit trust has performed reasonably well using a "bear" strategy during boom stock market conditions and this means it will be better able than other funds to prosper during any future period of depressed share prices. He does not regret missing out on

the shares boom, even with hindsight.

"There is too high a degree of risk with shares over-inflated in value," he claims. "I'm no gambler I'm only interested in high quality assets with a low risk profile. That way the fund will continue to produce growth for investors in the event of a prolonged stock market fall by moving to the safety of fixed income assets."

But Beckman is being given total freedom to chance his investment strategy, and even move back into the stock market if he considers this to be the best policy, or in four or five years, he thinks, when the predicted collapse has run its course and shares are good value again. Meanwhile he is sticking to fixed income assets.

The pension fund is underwritten by Lloyd's Life Assurance, which was taken over by the Royal Insurance group last year. It is being marketed by

Facing fearful odds

Margaret Hughes weighs the chances of hitting the premium bond jackpot

THOSE OF you who have been tempted to buy premium bonds by the recent advertising campaign run by National Savings may be pondering their true value. What are the chances of hitting even the smallest jackpot? Are premium bonds really a worthwhile investment?

There are no prizes for realising that the more bonds you hold, up to a maximum of £10,000, the greater the chance of winning a prize. And bondholders living in London, Lancashire and Yorkshire are more frequent prize winners than those living in less densely populated parts of the country.

But you may be less aware of the fact that some 18 months ago National Savings altered the prize structure and fixed the odds. Previously, the odds lengthened as more money flowed in so that between 1980 and 1984 the chances of any one single bond holder winning a prize had lengthened from one in 13,000 to 18,000. To make premium bond in-

vestment more attractive National Savings stepped in to fix the odds at one in 11,000. This means that you have a one in 11 chance each month of winning a prize if you hold 1,000 bonds. However with just under 1.8bn bonds eligible to enter the draw each month the chances of any one bond winning the monthly or weekly jackpot are very small.

National Savings improved the odds by altering the prize structure so that additional funds invested in new bonds are now channelled to provide more smaller—£50—prizes. As a result, 92 per cent of prizes won nowadays are only £50 whereas previously small prizes only accounted for some 75 per cent.

Any prize you win on a premium bond is tax free and unlike other forms of gambling don't lose your original purchase money. Whether or not you consider them to be a good investment clearly depends on whether you have a gambling instinct. The total amount paid out in prizes each month is determined by the average an-

mal yield set by National Savings, but this is not changed very frequently. The current rate of 7.75 per cent provides prizes worth a total of £11m a month.

While the yield on premium bonds may show that they are a cheap source of funding for the Government, it is of little direct interest to most premium bond holders. Even on the basis that someone holding the £10,000 maximum has a one in 2.73 chance of winning a prize each month, they would not necessarily achieve the 7.75 per cent return given that such a high proportion of the prizes are £50. At least one of the prizes would need to be a larger one. By the same token, if someone with the average holding of £65 won a £50 prize in the first year this would give a return of 77 per cent.

Basically it's whether you win a prize or not that matters. Statistical analysts shows that someone who holds the average of £85 worth of premium bonds has a one in 370 chance of winning a prize each month, but only a one in 58,500 chance of winning two prizes a month.

THE SCOTTISH INVESTMENT TRUST PLC. INTERNATIONAL GROWTH. Year to 31 October, 1985. TOTAL ASSETS £353 MILLION. Extracts from statement by the chairman, Mr Angus Grossart, I.L.D. 'We are particularly encouraged that a number of major policy decisions which we have taken in recent years are now proving to be correct and we expect the benefits of these decisions to begin to flow'.

WOOLWICH 1985. RECORD HOME LOANS OF £1,495m. ASSETS UP 19% TO £6,791m. NET RECEIPTS FROM INVESTORS £707m. Over 400,000 new investment accounts opened.

Successful growth in challenging markets. Points made by the Chairman, Mr Alan McIntock, C.A., in his address to the 138th Annual General Meeting held on 24th January, 1986. 1985 was yet another good year for the Woolwich. In an increasingly complex and competitive market the Society maintained its creditable record of success, lending a record £1,495 million to borrowers and achieving significant increases in net assets and operating surplus, as well as improving its management expenses ratio for the fourth consecutive year.

BAILEY SHATKIN. Bailey Shatkin is pleased to announce its new international monthly report covering the world's major financial markets including currencies, securities, futures and options. This report is specifically written for the private investor/speculator. For your FREE introductory copy and further details please telephone Charles Madden on 01-481 1712 or simply complete and return the coupon below.

FREE GUIDE. How to make more money on the STOCK MARKET. Claim your FREE copy of this unique report that will help you take advantage of the many exciting money-making opportunities that now exist on the Stock Market.

Jardine Fleming. 'We understand the Chinese tradition of good fortune.' The traditional Chinese characters, Shou (prosperity), Fu (wealth), and Cai (wealth) represent Jardine Fleming's belief in the continued prosperity of Hong Kong.



Taxman divorces wives

EVEN THOUGH more than 100 years has passed since the Married Women's Property Act 1882 gave married ladies the same right to own assets and receive income as their husbands, the fact is still largely ignored by the British tax system.

The resident wife is then taxable in the UK on her own income and capital gains, subject to the usual annual exemptions (which are denied to her non-resident husband) of £2,305 and £5,900 respectively. Indeed, so far does the law pursue this fiction that if there are dependent children she can claim the further income tax allowance of £1,250 appropriate to single-parent families!

Take the Green family: Mr Green (a non-resident), Mrs Green (a resident) and their 10-year-old daughter. They let their property in England, and, as the following figures show, the tax payable on the profit is very much affected by whose the income is.

Table showing tax calculations for UK property owned by Mr Green. Taxable profit: £4,000. Deduct: Allowances nil. Chargeable to tax: £4,000. Tax at 30 per cent: £1,200. UK property owned by Mrs Green. Taxable profit: £4,000. Deduct: Allowances nil. Chargeable to tax: £4,000. Tax at 30 per cent: £1,200.

Table showing tax calculations for UK property owned by Mrs Green. Taxable profit: £4,000. Deduct: Allowances 3,455. Chargeable to tax: 545. Tax at 30 per cent: 163.50.

Joint ownership would have resulted in a liability of £600. Note, too, that these figures would still have been correct had they referred to UK share dividends or trust income, rather than letting profits.

But separate treatment is not without its disadvantages. For example, a resident wife would be liable to UK tax on income from British deposit interest, gifts, and overseas income, whilst her non-resident husband would in every case be exempt. Furthermore, it would seem at first that the capital gains tax situation can only get



worse: while the resident wife is entitled to an annual exemption of £5,900, her non-resident husband is completely exempt. But such a conclusion would not be entirely correct. The Browns (she resident, he non-resident) have a UK property too, but theirs is registered in Mr Brown's sole name and is lived in, rent free, by their student daughter. As a non-resident, Mr Brown could sell the property and pay no tax on the resulting capital gain. While he would prefer to keep it, he is aware that since it is not his principal residence, a sale after he had resumed UK residence status would attract capital gains tax.

In fact, the family can both retain the property and avoid tax on the capital gain accrued up to that point if Mr Brown makes a gift of the property to his wife in the tax year before he returns home.

Since they are treated as separate persons, the normal rules—which effectively ignore transfers between spouses—do not apply. The non-resident Mr Brown is not taxable on his disposal, and since Mrs Brown is deemed to take on the property at its then market value, the capital gain has gone. Furthermore, courtesy of the 1985 Finance Act, no stamp duty is payable, either.

Donald Elkin Donald Elkin is a director of Wilfred T. Fry Ltd.

Books have their rewards

During my student days in the 1950s I bought a number of old books, mainly in and around Kings Road, Chelsea. A couple of months ago a knowledgeable friend suggested I put them into auction which I did. Much to my surprise they realized over £10,000. The highest price for any individual book was £2,200, most of them fetching considerably less.

Am I liable to capital gains tax under these circumstances? No: you have no CGT liability (by virtue of section 128 of the Capital Gains Tax Act 1979, as amended by section 81 of the Finance Act 1982), and you have no income tax liability either.

The truth, the whole truth...

I was recently interviewed by my local Tax Inspector regarding a tax liability for interest received from a National Savings Income Bond. The interest tax liability totalled £1,009.30p which figure we agreed. Before passing this figure to the Collector of Taxes however the local Inspector wishes to know from where I obtained the money (£20,000) to purchase the Bond. I told him it was 50 per cent savings and 50 per cent from a win on the horses. He has refused to believe me unless I provide proof in confirmation from my bank that the cheques paid in were from bookmakers. I have contacted my bank and it has verified that the cheques were from bookmakers. It has sent me a letter to this effect which I have forwarded to the

Tax Inspector. The bank has charged me £7.50 to meet search costs. The Tax Inspector says that I must bear this cost. In view of the fact that I told the Tax Inspector the truth plus the cardinal principle of English law that a person is innocent until proved guilty have I a legal case to ask the Inland Revenue to pay the £7.50 charge?

On the limited background data provided, we can only recommend you to write the £7.50 off to experience.

Outside the composite rate

We are planning, my husband and I, to retire in France. My husband will have his state pension and a pension from an insurance company. Am I to understand, he will not be liable to tax on his company pension? Also, if he was to leave money invested in a building society and arranged to have it paid without deduction of the composite rate, would he also not be liable to tax on the interest received? You will find general guidance in a free booklet, IR20 (1982) (Residents and non-residents: liability to tax in the UK), which is obtainable from your tax inspector's office. The company pension should qualify for exemption from UK tax, by virtue of article 18(1) of the France-UK double taxation convention. The social security pension should escape UK tax by virtue of an unpublished extraterritorial concession. The building society interest rules for 1986-87 have still not

been published (but are expected any day now). It is however probably best to transfer the money to a deposit taker outside the scope of the composite-rate schemes, eg to the Channel Islands.

Paper profit in a company

I have a holding of 1,000 shares in a company which is about to be taken over. As I shall receive 1,000 shares of the new company in a straight exchange, there would be at present a purely paper gain of about £1,400. Would I have to declare this as a capital gain in my next tax return?

No—assuming that you are talking about listed shares in a public company. It is always easier for us to help readers if they tell us which companies they are talking about, but we understand why some people prefer to keep their investments secret.

Bank's practice not justifiable

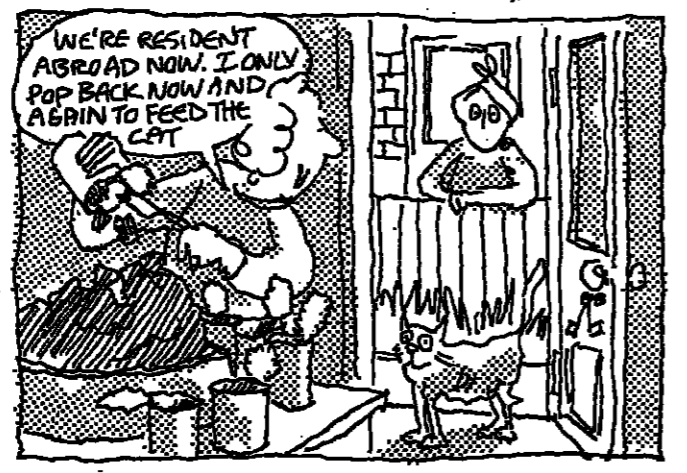
My bank has twice in recent months paid cheques of mine in advance of the stated date. Both were in favour of a credit card company to which I have for years written post-dated cheques to coincide with the due date of settlement, and so avoid having the account sitting around the house. My bank now informs me that it will pay a cheque as soon as



it is presented, irrespective of date. This seems to me wholly at odds with all accepted banking practice and virtually subverts the whole idea of dating a cheque. I would value your view of this curious procedure, which appears to me to put credit firms' needs before those of customers. We think that the practice described is not justified in law. You could reinforce your position by writing to your bank and pointing out that you have given no authority to pay cheques before their date and specifically directing the bank not to do so.

Rate-free entitlement

Last August I purchased a domestic property, completion taking place on the 16th. During the following six weeks the property was re-wired electrically and then decorated. I finally took up residence on October 4th. At no time was there an item of furniture in the property. I have now received a rate demand from the local council for a full rate from August 17th although the premises were unoccupied. You would be entitled to three months' free rates (ie August 17 to November 16) if your vendor did not obtain relief from empty premises in the period between his last occupation and your purchase. No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.



The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Large table with columns for Investment Policy, Management, Share Price, Yield, Net Asset Value, Geographical Spread (UK, Nth. Amer., Japan, Other), Gearing Factor, Total Return over 5 years, and Total Return over 3 years. It lists various investment trusts like Alliance Trust, British Investment, Brunner, etc.

NOTES TO THE TABLE
(a) No data.
(b) More than one quarter in non-equity investments.
(c) Capital shares and winding-up dates.
(d) Incorporates recent revaluation of unlisted investments.

Col. 6 and 12: The basis for calculating NAV has been changed to deduct prior charges at par value instead of at market value.
Col. 11: The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money'.

INDICES OF FIVE YEAR TOTAL RETURN
\* Investment Trust Average 256
\* FT - Actuaries All-Share 279
\* Standard & Pears Composite 304
\* Tokyo New Stock Exchange 374
\* Capital International World 310
+ Excludes split capital.
+ Adjusted for exchange rate changes.

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# Taking your car on holiday

Andrew Fisher says it pays off to do some intensive research to find the best deal among the services for motorists

## Wide range of ferries

WITH THE construction of a Channel tunnel now a certainty, the ferry companies have been doing some fast footwork to try to improve their standards and range of service to the public.

This year, they have raised basic fares more or less in line with inflation, by around 6 per cent or so, but introduced a variety of new options, which can involve large savings.

Townsend Thoresen, for instance, has cut some of its rates and claims that the two big ferries it has just ordered—twice the size of existing ones and able to take 2,400 people and 700 cars—will threaten the financial viability of a fixed link by slashing costs.

On the main routes from Dover, handling 14m passengers a year, the company (a subsidiary of European Ferries) has reduced tariffs to Calais at off-peak times by some 20 per cent. Car fares are down by 10 per cent off-peak from Felixstowe to Zeebrugge in Belgium.

Townsend's 60-hour and five-day Mini-Breaks to France and Belgium offer savings of up to 50 per cent on standard rates. From Portsmouth to Cherbourg and Le Havre, its peak season car fares have been reduced by up to a quarter.

In an ambitious conversion operation, Townsend has had four ships enlarged in West Germany, where its new jumbo ships will also be built. It has switched vessels around its route network to provide what it sees as the best mix between

freight and passenger capacity. Its main rival Sealink, bought from British Rail by Sea Containers in 1984, found the going a little rough last year. This was mainly because it lost heavily on its new luxury service to the Channel Islands.

It has scaled down its fares on this route, under the pressure of competition from the airlines and Channel Island Ferries, a new venture between Brittany Ferries and the islands-based Huelin group.

Sealink's Dutch partner is introducing a big new ferry on the Harwich-Hook of Holland route in April. For those liking a longer luxury trip, Olav Line goes from Sheerness, Kent, to Vlissingen, Holland.

Sealink has smartened up its ships and tightened its management. Its network now includes the Mediterranean, and more adventurous travellers can drive to the South of France and then take their car by ship to Corsica or North Africa. On the luxury MV Orient Express, they can drive as far as Venice and then be taken through Greece to Turkey.

By booking through with Sealink over the Channel and to Turkey and back, discounts of up to 50 per cent can be obtained on the Channel crossing. On Channel and Irish Sea routes, it offers Motoring Money Saver, with discounts for 60-hour or five-day trips.

Between Dover and the French Channel ports of Calais and Boulogne, the hovercraft provides fast competition to the ferries. Hoverspeed, which

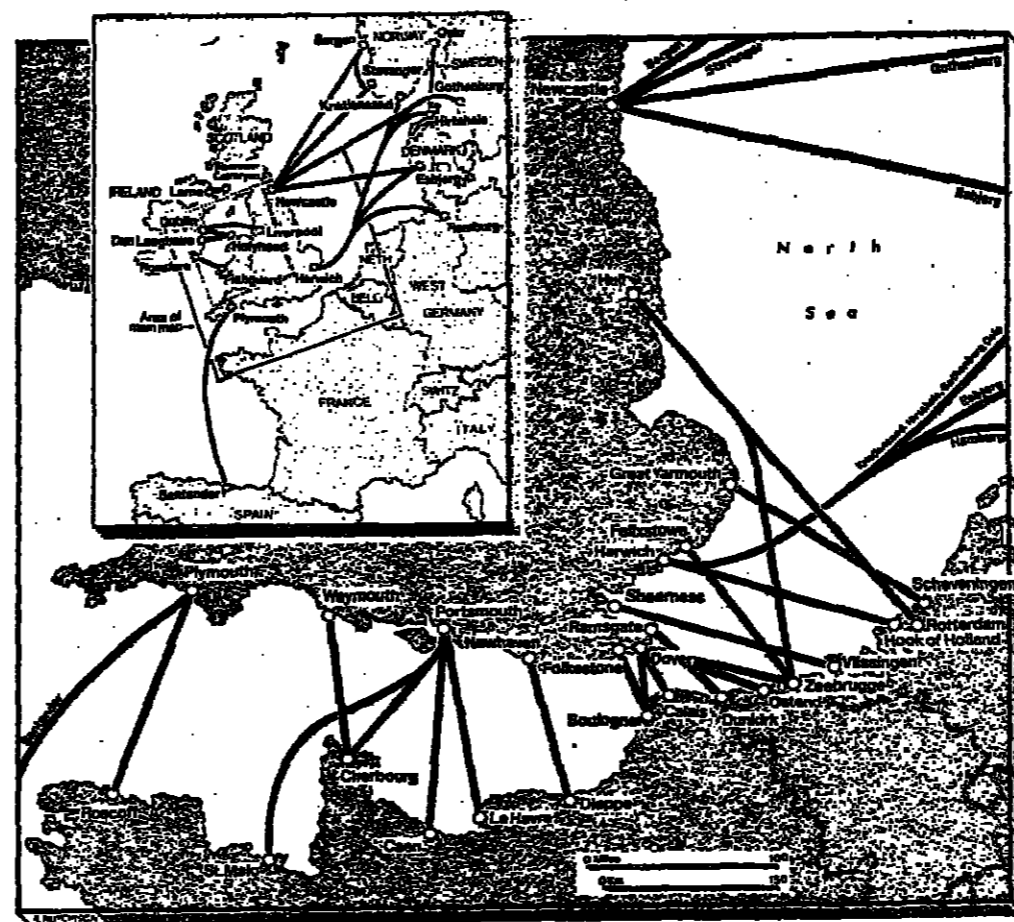
edged into profit last year but still had to bear the costs of its office move from Ramsgate and of a faulty computer system, crosses the Channel in 35 minutes.

Rough weather can make the trip uncomfortable, though. Its fares are rising about 7 per cent for 1986, but there will again be a 50 per cent reduction for caravans and trailers on all flights to and from Boulogne and some to Calais.

For some time Hoverspeed has been talking about ordering larger but more fuel-efficient hovercraft. It has yet to take the plunge. It, too, offers special rates for short trips, and also arranges full-scale holidays.

Hoverspeed, Sealink, and Townsend all link up with the Motorail service of SNCF (French railways) from Boulogne down to Rotterdam and Zebrugga.

It has simplified tariffs this year by cutting the previous three seasons to two, a low and high season. The latter runs from mid-June to end-August. The company offers savings for families who occupy one four-



berth cabin, depending on the size of the family and number of children.

Sally Line, the UK offshoot of the Finnish operator, has been running a service from Ramsgate to Dunkirk for several years and is also investing in the UK port. With Sealink Holidays, it has teamed up with the French Government tourist office in a programme featuring more than 550 sites (private rented cottages, houses, farmhouses flats or restored farm buildings, with self-catering facilities).

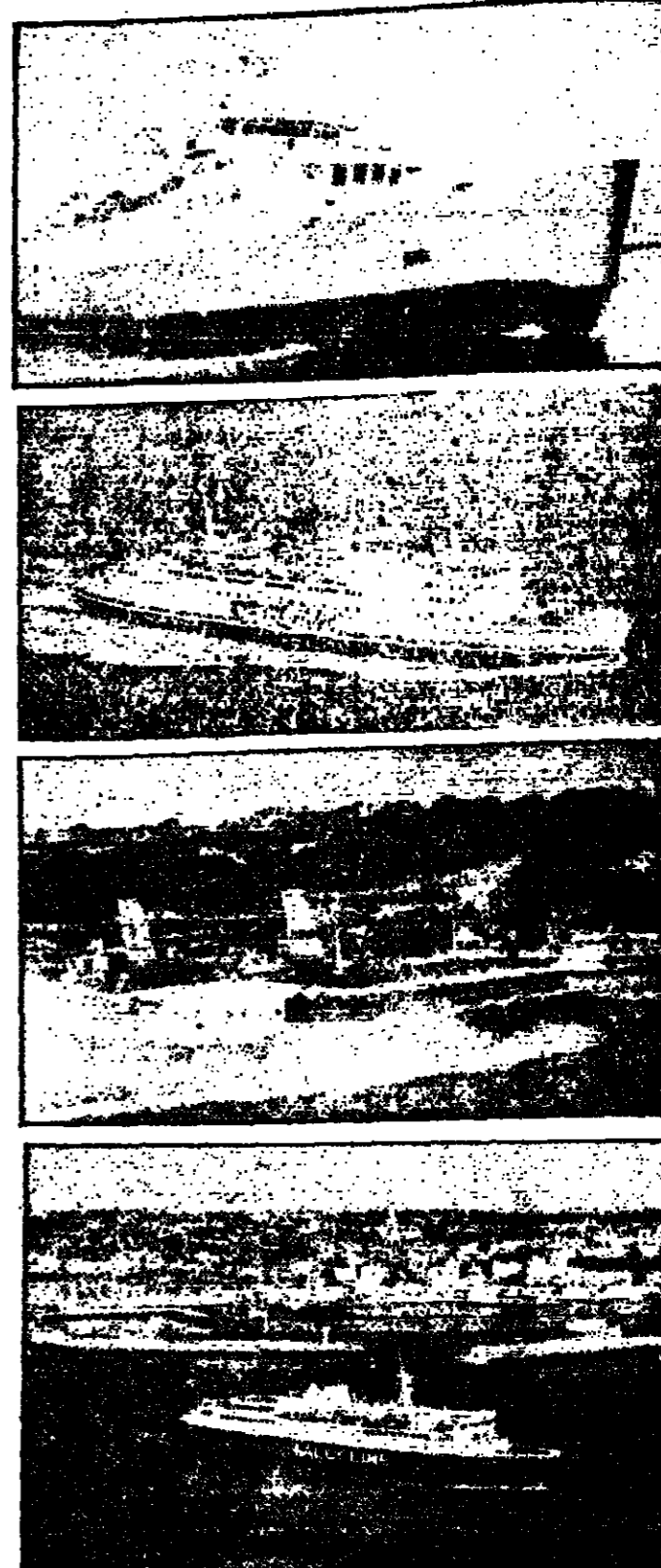
On the Channel Islands, where Sealink lost £7m last

year, Channel Island Ferries has mid-week moneysavers for motorists, as well as special rates for short four-day breaks. It goes from Portsmouth, with Sealink going from both Portsmouth and Weymouth.

Brittany Ferries offers something new for travellers to France this year, with its novelties Les Routiers service based on the appeal of the restaurants popular with French lorry drivers. This passenger service will be operated between Poole and Cherbourg by Truckline, the freight ferry company bought last year by Brittany Ferries.

In June, Brittany will launch a new service from Portsmouth to Caen, where a new port is being built to provide a further gateway to both Paris and the Loire Valley and beyond. It also has a service to northern Spain and offers a range of holiday packages to France and Spain.

For the holiday traveller, therefore, there are some exciting developments in the ferry business. The companies have tried to simplify their tariffs, but the best deals still take some searching out. Armed with a pile of brochures, bargain hunters can while away many winter hours.



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If you're taking your car to the slopes this season, make sure you've got the AA behind you. You can hire ski racks and snow chains from us, and, of course, you can take out AA 5 Star Service.

So in the event of an accident or break-down, we can arrange to fix your car or bring it home; we'll even help you and your family should you have a mishap on the slopes or you're taken ill (so the medical bills won't give you high blood pressure).

Should you suffer a fracture, for example, and nobody else can drive, we can arrange to chauffeur you home. If it's really serious, we'll arrange an air ambulance.

Of course, the chances are you won't need any of it. But if you do, and you didn't take out AA 5 Star Service, you'll be kicking yourself. A difficult feat on one leg.

NB. AA 5 Star Service is available all year round to cover you, your car and your family whatever holiday you're planning to take.

For full details of AA 5 Star Service and the complete AA 5 Star Service AA Motor Services Ltd, Fern Hill, 150 National Lane, Halesowen, West Midlands, B63 2BU, or phone 0121 250740. Alternatively see your local AA Branch.

Please also send me a copy of *Argos Holidaying in Europe* (1985).

Please send me information on French Motorists (tick box).

NAME \_\_\_\_\_  
 ADDRESS \_\_\_\_\_

You don't have to belong to the AA to get 5 Star Service.

**Insurance**

**Be prepared for the breakdowns**

WE WERE lying well-placed in a Canadian motor rally. Far out on the prairies, late at night, the alternator light suddenly glowed its warning red. Why two Mounties should be in such a remote spot I'll never know, but their patrol car escorted us (lightless) to the next service halt.

We arrived behind wailing siren and twirling lights. Within seconds, battery was swapped, car (with crew) heaved off on a ramp, the fault diagnosed as a broken wire at the alternator output terminal, rectified, and the ramp was still only half-way down when the engine was fired up. The warning light was still there—a seeming million to one chance, that same wire had fractured in two places.

The point of this somewhat esoteric tale is to illustrate that, under Murphy's First Law of Mechanics, if a car is given half a chance to go wrong it will.

Reliability has moved on from the time of the above incident—but cars are still not foolproof and it is a brave, not to say foolhardy, soul who ventures with car and family on a lengthy motoring holiday without trying to cover breakdowns and other mishaps in advance.

For the really unfortunate, the time could come—perhaps on a deserted French road at midnight—when there is no quick substitute for a driver familiar with his car's workings and a handy set of tools. But for the vast majority of inci-

dents, the sophistication of roadside help services linked to full travel insurance schemes is such that even a breakdown of the really terminal variety should produce inconvenience rather than calamity.

Breakdowns, of course, are not the only worries attached to a motoring holiday. Theft from cars, accidents, an unexpected need to cancel a holiday at the last moment, say through illness—all can impact unpleasantly both physically and through the pocket.

The RAC, AA, Europ Assistance, GESA and other organisations now provide insurance and "rescue" packages which leave very few gaps in the motorist's safety net.

The AA's Five-Star insurance scheme provides a good illustration, and is perhaps the best known.

Until this year, the Five-Star package was split into two parts—vehicle and personal travel security.

This year they have been combined into a single package, costing £30.75 for 31 days' cover, with a reduced rate of £24.50 for ten days.

An estimated 5 per cent of policyholders usually end up requiring assistance of some form.

If, for example, a broken-down vehicle cannot be mended on the spot by one of the continental roadside breakdown services linked in with the AA, through its emergency centre at Boulogne, up to £75 is allowed



An RAC recovery vehicle arrives at Calais with two cars which suffered a serious breakdown on the Continent. They are seen being transported to a ferry home under the RAC's Travellers Bond Protection scheme.

**Guide to the guides**

THERE ARE any number of guides purporting to tell the holidaying motorist how best to get there, interesting places to see, and the watering holes, restaurants, hotels and other accommodation most deserving of a visit.

Some of the most useful are given below.

**For the Continent:**

The Michelin "Green" guides, available from retail bookshops.

Relais guides. Available from the French National Tourist Office, and concentrating on up-market accommodation throughout Europe (and including the UK).

At the other end of the market, the "Guide des Logis," which lists extensively the smaller and less expensive hotels throughout France.

Both from the French National Tourist Office at 178 Piccadilly, London W1. For the UK:

"Country Hotels, Guest Houses and Restaurants 1986." For seekers after the rustic life, a guide to farmhouse accommodation and the better guest houses—available from the British Tourist Authority, Thames Tower, Black's Road, London W9 5E and English Tourist Board, 4 Grosvenor Gardens, London, SW1W 0DU. And, of course, travel agents.

Holidays UK, available from travel agents.

John Griffiths

**FRENCH FARMHOUSES**

In our tenth year we now offer over 300 properties across the whole of France. Free 24-hour motorist ferry discounts. Write or phone for brochure (postcard please):

VACANCES EN CAMPAGNE (FT) BIGNON, PUTERBOURG, 100, rue de la Gare, 13000 Arles, France. Tel: 079 971 202 (24 hrs.) A.R.T.V.

**MAZARRON VILLAS (SOUTHERN SPAIN)**

Modern quality Villas, sleep 2/3. Some with private swimming pools. Close to cote sandy beaches/shops. Weekly rentals from £20.

Colour Brochure: ring 01-868 1177 or 0992 769545

**Bowhill Cottages**

**FRANCE AND ITALY**

Traditional farmhouse, chateaux, villas, many with pools. Brittany, Normandy, Burgundy, Loire, Atlantic, Provence, Corsica, LangueDoc, Provence, Cote d'Azur, Alpes, Tignes, etc. Family run company with 15 years experience. Tel: 01242 380187.

**FRANCE UNPACKAGED**

Explore France from your own cottage or rural abode. Write for free brochures to the pioneers: VFB (Dept FT), 1 St Margaret's Terrace, Cheltenham GL50 4DT. 24-hr. tel: 0242-380187.

**FRENCH COUNTRY CRUISES**

Canal cruising in self-drive 5 and 7 berth panachees from 2 bases all over France. Brochure from: French Country Cruises ANDREW BRIDCK TRAVEL LTD, 10 Barkley Mews Passage, London W4 4PH. Tel: 01-895 3642 (24 hours) ASTA - ATOL.

**Open Road**

Motoring holidays in your own car to Paris, Amsterdam, Brussels, Bruges, Luxembourg, the Ardennes, Geneva, Lausanne, Boulogne, Dieppe and Rouen. For a free copy of our brochure, write to: Time Out Ltd, 24 Chester Lane, London SW1N 7BA.

**AA 'Guide to Motoring Abroad 1986' now available free from your nearest AA Centre**

**Travel**

**FORTUNATELY YOU'VE FOUND THE LADY BETWEEN THE PINK SHEETS.**

If you are taking your car abroad then you've discovered the way across the Channel that offers the best return on your investment.

Sally Line sails from our own exclusive port in Ramsgate, so check-in is quick and easy. Ramsgate is just 78 fast miles from the City and if you are travelling from outside London you can avoid it completely on the M25 orbital motorway.

Once on board Sally you'll find our restaurants offer a taste of haute cuisine before you reach France—just help yourself to as much as you like from our famous 'smorgasbord' and hot carvery. Or relax with your favourite drink (at low prices) in our bars while your children have fun in our special play area.

And of course, you can select your share of stocks from the biggest choice of Duty Free across the Channel. Choose from over 20 brands of whisky and more than 60 different wines.

Arriving in Dunkirk you'll find yourself on the road to your holiday destination very quickly as the port is at the start of the European Expressway network—which is just as advantageous if you're travelling on business.

Now you've found the perfect companion across the Channel we're sure you will always want to travel with Sally.

**Ramsgate to Dunkirk. It's the only way to go for business and pleasure.**

For your brochure or reservation see your local travel agent or contact Sally Line on: **Thames 0843 555522, London 01-858 1127, Birmingham 021-226 4010 and Manchester 061-228 0040.**

WEEKEND FT REPORT

John Griffiths gives a user's view of two services for the motorist
More than the channel can be choppy

THE MAIN cross-Channel ferry operators have made much in recent years of their efforts to improve service quality, allied to the introduction in some cases of larger and higher-standard vessels.

Nevertheless, the depiction of the ferries as a sure-fire painless, indeed enjoyable, way of starting or ending a holiday can still be over-optimistic.

This was brought home during a recent return crossing between Dover and Ostend, using Sealink. Our party comprised three adults, one child of five and a baby of 17 months.

No public address system appeared to be operating, nor was there any sign of life at the Sealink desk within the terminal itself. There was no way of knowing, in short, whether any of the ferries to be observed intermittently through the terminal windows was "ours."

He guessed at a 2 pm departure. Somewhat relieved, I re-entered the check-in area to find a Sealink lady "manning" her desk. She thought about the same, but wasn't sure. So we waited.

a more cheerfully helpful group, proffering ready service on everything from hotels through street directions to the best place to buy booze and chocolates.

The on-board restaurant's food may have been indifferent and expensive, some £35 for three steaks, one starter and an all-but undrinkable bottle of red wine. But at least we felt the staff were on our side.

been booked on the 1.30. Since that wasn't running and we did not have a reservation for the 5.30, we would have to take our chances on there being room on the later boat—it was very full.

No, he didn't know what had happened to the 1.30, sorry. But I was committed to being back in England that evening...

Sorry, he couldn't help. Table-thumping eventually produced a firm booking. But we would still have to take the car through customs and into the docks at the same time as if we were catching the 1.30...

yawning before us. I blew first my top and then my cover. We had set off, quite deliberately without benefit of public relations departments or other assistance, to use the service like any family seeking to traverse the channel.

But hardship in pursuit of objective research has its limits. Our young Belgian friend, armed reluctantly by us with the knowledge that we were "road testing" the service, made a couple of phone calls. He donned overcoat and disappeared for 10 minutes into the bowels of the docks. He returned with a grin to say we could just drive in at 4.30...

We did, indeed, make the ferry. We even—by dint of a wifely, Zola Bredesque sprint through the heaving mass of pre-Christmas shoppers—secured the last unbooked cabin.

and return trips is added, for concluding that some at least of the "like it or lump it" spirit has lingered on into the supposedly service-conscious 80s.

We could have no criticism of the young Belgian at Ostend. He was as helpful as he knew how to be, within the constraints of a seemingly unwieldy system.

Yet how would we have felt had we, say, driven the length of France and arrived exhausted at Ostend to confront the same situation—and without the facility to pull any strings? Why, at Dover (not the ferry operators' fault) should we feel ourselves viewed as a minor, but irksome, intrusion on the terminal staff's day?



COSTS IN AUGUST ON SHORTEST CROSSINGS

Table with columns for Ferry Service (Townsend, Thoresen, Sealink, Hoverspeed, Sally Line), METRO Family of four Peak Off-peak, SIERRA Two adults Peak Off-peak, ROYFER Family of four Peak Off-peak, and prices for August crossings.

Return journeys covering more than one day. Family fares calculated with two children aged 4-11. Children under 14 go free on Townsend, Hoverspeed and Sealink; first child under 14 free on Sally Line.

Motorail

Nightcaps without qualms

UNTIL THE start of this year, the last time we had used British Rail's Motorail service in the UK was more than a decade ago.

The experience was memorable for its cost, the grumpiness of the sleeping car attendant, and the loud, dead-of-night conversations between train and platform staff during the odd stop-off on the long journey north.

Our sleep compartments on the Inter City 125 were something of a revelation—small, yes, but fitted out to a high standard. Reasonable storage space, hangers, scrupulously clean washbasin, bedding, even disposable shoe polishing cloth.

Our road routes to Edinburgh would have covered about 480 miles. Even allowing for a somewhat leaden right foot and use of one of BMW's latest sling-shots, the M555i, I doubt if we would have used more than 24 gallons of petrol—around £45.

they did, I knew it not. Between nightcap and the tap on the British Rail's Motorail service...

Within ten minutes of stepping onto the platform our car was unloaded and ready to attack the Scottish hinterland. And so, totally refreshed, were we. Previous drives to Edinburgh and twice the early morning shuttle seemed like bad dreams by comparison.

We could have ordered snacks on the train at whim, a full meal can be provided if booked in advance. The snaz, of course, is cost.



Our road routes to Edinburgh would have covered about 480 miles. Even allowing for a somewhat leaden right foot and use of one of BMW's latest sling-shots, the M555i, I doubt if we would have used more than 24 gallons of petrol—around £45.

For that sum, plus a few coffee breaks, we could have transported up to five adults.

apply to early May, and summer rates inevitably go higher. Daytime Motorail trips in the UK are cheaper, but few in number.

Clearly, the fuller the car, the wider the cost gap between the slog by road and the comfort and convenience of Motorail. Nor is the reduction for return trips significant (our trip, if return, would have cost £287).

It's all down, then, to what value you place on comfort and freedom from the stress of driving.

Motorail might have been pioneered in the UK, but it is of course available on the Continent.

SNCF's French Motorail annually carries 1m passengers on 130 routes up to 900 miles in length. It is over longer journeys that cost calculations become more complex. Only a masochist would attempt with his family a non-stop 900 mile run from Calais to Nice.



One of the 130 routes operated by French Motorail. Originally created for the British market in 1957, it now carries more than one million passengers a year

Packages

The charm of the gite

THE OLD concept of a motoring holiday as true adventure—facing the unknown road, and taking pot luck with wayside restaurants and accommodation—is long since dead, except by choice.

The range of packages being offered to motorists by tour operators, the ferry services and motoring organisations themselves, now almost rivals in variety the air packages business.

otions, merely illustrations of some of the types of holiday on offer.

French Travel Service, the inclusive holidays arm of SNCF, the French rail system, offers a number of packages under the banner of "Les Vacances Vertes." The choice is wide, but with quite an emphasis on gites ruraux, those modest country houses or flats which scattered through the length and breadth of France—and subject to a rigorous grading system—in recent years have become an increasingly popular goal for holidaymaking Britons.

promoting as the Grand Tour, a 15-day tour taking in attractive cities like Bruges and Florence.

The £890 price of the package is based on high season (April to October inclusive) and a car carrying two people, and includes return ferry travel and half-board accommodation.

Don't take your OLD CAR on holiday! Buy a NEW rhd car from TRC and the SAVINGS will pay for your ENTIRE holiday!

THE WIDEST CHOICE OF HOLIDAYS IN FRANCE. Hotel, Meeting & Canal Cruising Holidays in France by exclusive services—on your own car.

Continental Motoring Holidays. Superb selection of apartments and villas some with pools, gites, holiday villages, mobile homes, as well as hotel touring holidays. From £230 for two weeks, including return Hoverspeed crossing for 2 adults and car.

21 YEARS OF REALLY SUCCESSFUL FAMILY HOLIDAYS. For 21 years now we've been creating highly recommended and widely praised family holidays. And to celebrate we are making some very special offers.

BEACH VILLAS. Hottest value under the sun. Drive to self-catering villa holidays in: S & SW France, Brittany, the Algarve, Costa Verde, Costa do Estoril, Costa Blanca, Costa Brava, Costa del Sol and Italy.

Best Villas by Car! Côte d'Azur \* Roussillon \* Costa Brava. 200 hand-picked villas in pool. All close to the very best Mediterranean beaches.

Villas Italia. THE FREEDOM OF ITALY'S FINEST VILLAS. Exclusive villas & serviced apartments in the best resorts + big discounts for children.

ALLEZ FRANCE. If you would like a low-key drive-yourself-holiday look no further than Meon.

MEON Villa Holidays. Handpicked character cottages near coast or country with all the charm of rural France.

HOLIDAY VILLAS. 27 YEARS EXPERIENCE. FRANCE, THE ALGARVE, COSTA BRAVA, LAKES & MOUNTAINS.

FRANCE. GITES, VILLAS, COTTAGES & CHATEAUX IN BRITAIN, NORMANDY, LONDON, LOIRE, VENISE, AUSTRALIE & SOUTH OF FRANCE.

Family Beachside Holidays where two children can go FREE. Colour Brochure from MATTHEW'S HOLIDAYS.

Vacances. Holidays in France as you always imagined them to be—and at prices you can afford.

SLIPAWAY TO FRANCE. Handpicked character cottages near coast or country with all the charm of rural France.

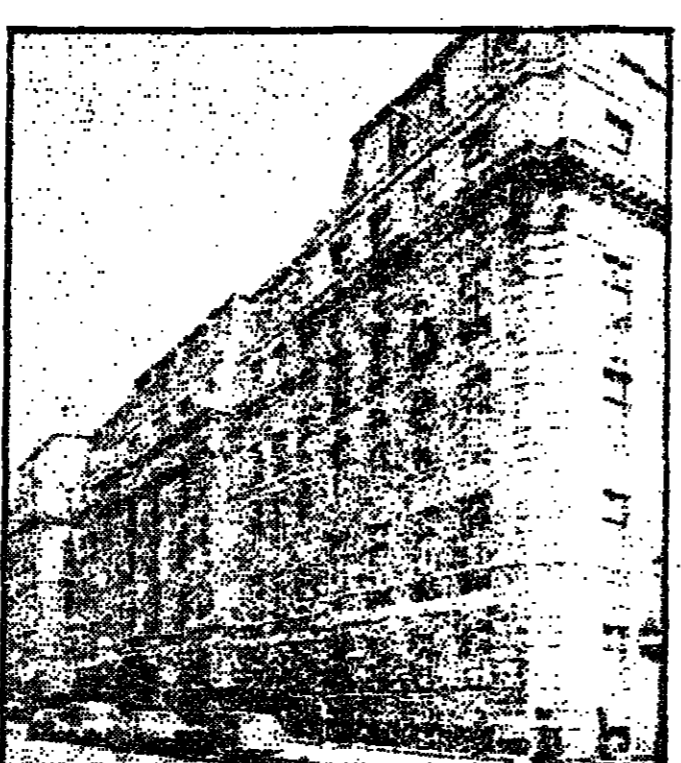
The best villas in the South of France are in the Palmer and Parker blue book.

FRANCE. GITES, VILLAS, COTTAGES & CHATEAUX IN BRITAIN, NORMANDY, LONDON, LOIRE, VENISE, AUSTRALIE & SOUTH OF FRANCE.

PROPERTY

New deals for leaseholders

THE LONG residential lease is essentially British. In most other countries you either buy or rent your home. With a British freehold the more you pay on your mortgage the more you own. As the terms of a lease diminishes so does your stake in the property.



The Howard de Walden Estate at 2 Mansfield Street, London W1, where 36-year leases can be surrendered and renewed for 75 years

legally compelled to sell the freehold of a building in flats, in many cases he will be willing to do so, particularly if there is no real advantage in retaining it.

When home is a houseboat

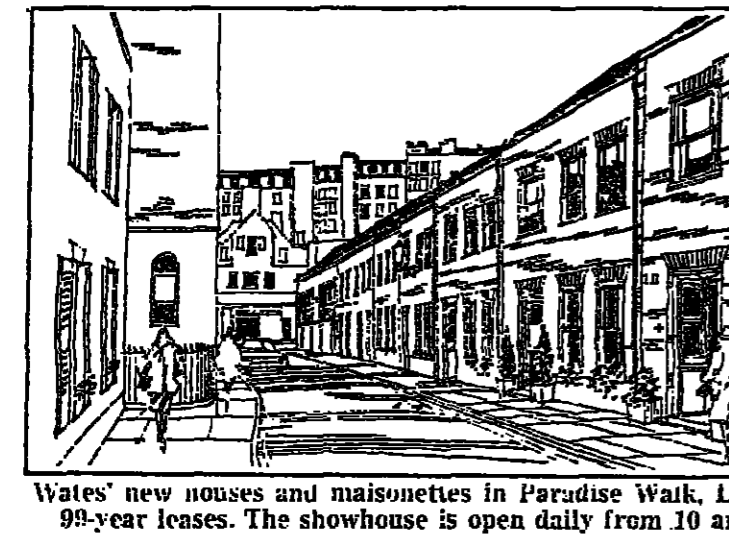
A WATERSIDE home within reach of work and schools is a dream which usually carries a high price. Yet in the past year a small place at Cheyne Walk in Chelsea, perhaps the most fashionable riverside address in Britain, was bought for only £12,000—while a luxurious three-bedroom home on the Thames at Hampton Court fetched a mere £40,000.



Houseboats in Little Venice, London

The trend took off when motor torpedo boats were pressed into service during the housing crisis after the war. It spread along the Thames and other rivers like the Medway and Arun, on the Norfolk Broads and on the Isle of Wight. At the same time, the 2,000 miles of canals and inland waterways were rediscovered, and production of modern forms of narrowboat soared.

holidaymakers and a few caretakers. Many owners brazen out illegal mooring for years. Ken Baker, freed from work and family ties in his fifties, cast off in a 35 ft narrow boat three years ago "just to chug around and enjoy myself."



Wates' new houses and maisonettes in Paradise Walk, London SW3, for sale on 99-year leases. The showhouse is open daily from 10 am-6 pm (01-351 6487)

June Field. The terrace is built of stock brick under a natural slate roof with timber sash windows and small gardens. The houses fit well into the period character of the area called in the 18th century, Bull Walk, because cattle were driven down it to the nearby pound.

Aranco Overseas advertisement for The RITZ Presentation, Piccadilly. Includes dates for viewings (Weds. & Thurs. 29/30th January & 26/27th February) and contact information for Marie Antoinette Suite.

Villars Switzerland advertisement. Promotes an exclusive resort just 70 minutes from Geneva, offering skiing, swimming, and golf. Includes contact details for Hilary Scott Ltd.

Gardening advertisement for 'The enduring charm of chrysanthemums'. Features a photograph of a child with a large bouquet of flowers and text about chrysanthemum care.

Paradise Walk, Chelsea, London SW3 advertisement. Describes a new development by Wates Built Homes Ltd, featuring splendid newly built houses and apartments in traditional style.

FOR SALE advertisement for Sheltered Homes Nationwide. Offers free independent advice and contact information for Sheltered Housing Services Ltd.

FLATS IN THE AREA OF REGENT PARK advertisement. Describes a large flat with views over Regent's Park, in excellent condition, with 4 bedrooms and 3 bathrooms.

LE BRISTOL advertisement. Promotes a new investment opportunity in Swiss Real Estate, offering a unique concept in select fully-serviced apartments with all facilities of a luxury hotel.

SWITZERLAND Gstaad Valley advertisement. Offers attractive 2 to 5 room apartments available for foreigners, in typical Swiss chalets.

UNIQUE SWISS CHATEAU advertisement. Situated on 5,000 sq metres just 10 minutes from Lausanne, offering perfect condition and offered complete with all fittings, antiques and furnishings.

FREEHOLD BLOCK OF FLATS FOR SALE BY FORMAL TENDER advertisement. Features Macready House, Crawford Street, London W1, offering full vacant possession.

GEORGE KNIGHT & PARTNERS advertisement. Specializes in letting agents, offering professional and efficient service for property owners and tenants.

Company Notices advertisement for Stanwick International Corporation S.A. Includes notice of annual general meeting of shareholders on 3rd February 1986.

MELLERSH & HARDING advertisement. Offers full details and tender documents from sole agents for various properties.

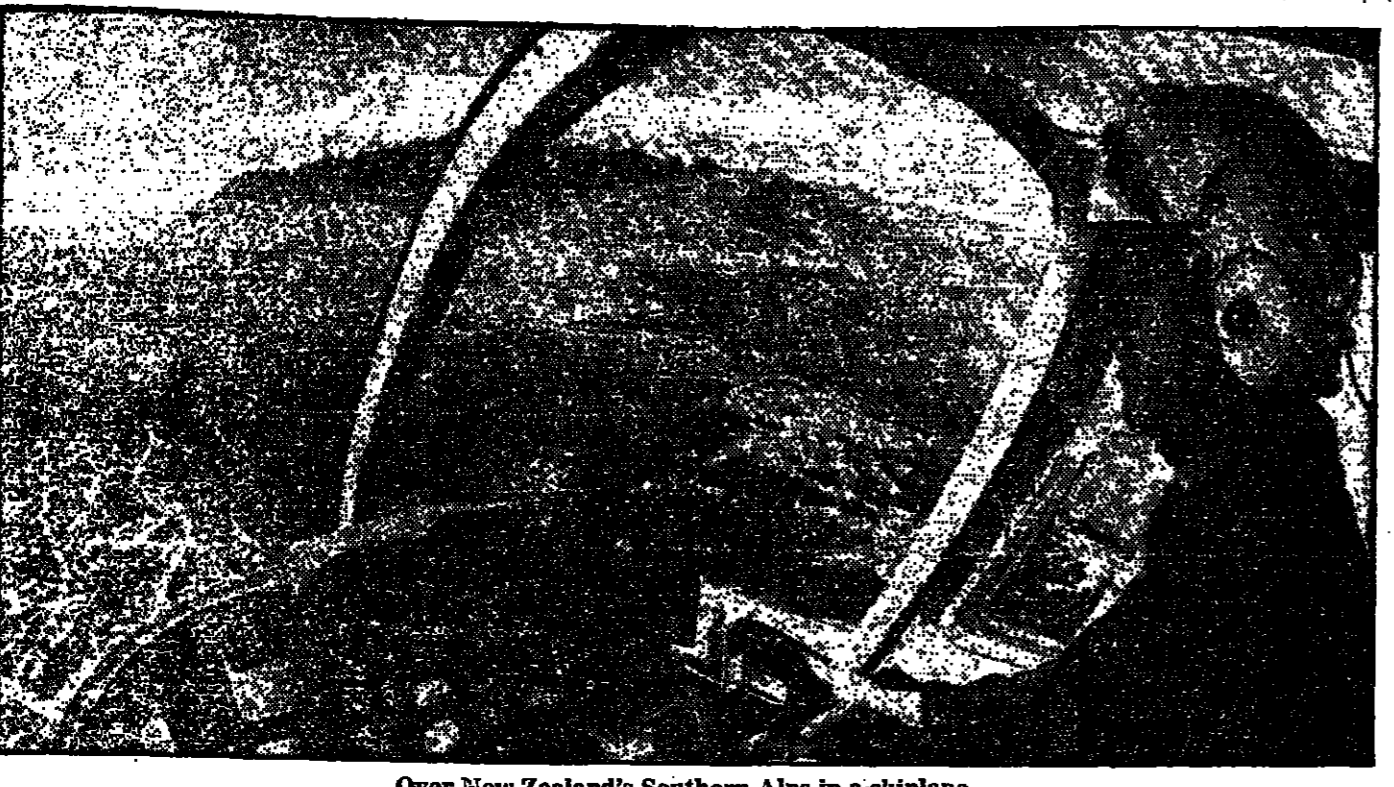
SPAIN, CANARY ISLANDS, PORTUGAL, MADEIRA, ITALY, GIBRALTAR AND FLORIDA advertisement. Offers new real estate opportunities in various international locations.

ISLE OF MAN advertisement. Offers a small farm of land with 4 bedrooms, 2 bathrooms, and a swimming pool, suitable for grazing or country estate.

GRAND DUCHY OF LUXEMBOURG advertisement. Offers a unique chateau, 18th century, superbly restored for high level living, with 5 bedrooms and beautiful landscaped grounds.

Advertisement for 'The enduring charm of chrysanthemums' continuing. Discusses the history and care of chrysanthemums, mentioning the National Chrysanthemum Society and the importance of proper training and watering.

TRAVEL • MOTORING



Over New Zealand's Southern Alps in a skiplane

On top of the world down under

CHRISTCHURCH International airport, in New Zealand's South Island. A heavy military transport, wings and fuselage striped in bright orange, lumbered skywards bound for the United States Antarctic base at McMurdo Sound, around 2,000 miles south.

After a night at the Hermitage, the national park's appropriately rustic hotel, I took the short flight south to Queenstown. This resort town, on the edge of Lake Wakatipu, has 600,000 visitors a year, many winter sports enthusiasts attracted to the largest developed ski area in the South Island.

Here, Don Spary, whose Alpine Helicopters started by offering skiers flights to the more remote slopes during the winter, was quick to realise the potential of aerial sightseeing. Using four-passenger Bell Jet-rangers, Alpine runs excursions ranging from a few minutes' flight to the top of Bob's Peak or the Remarkable Range to much longer trips to New Zealand's fjords.

Some even include a hair-raising jetboat ride on the white waters of the Shotover River, once famous for its gold panning, before passengers are dropped back in Queenstown to hunt for bargains. Sheepskin and carved nephrite jade are favourite buys.

Ulster's golden roses

THE MAYORAL chains of Portadown, County Armagh, and Newtownards, County Down, are unlike any other chain of office in the world. The Portadown chain is made entirely of gold medals won by the McGredy family for their roses. The Newtownards chain is made entirely of golden roses made from the melted down gold medals won by the Dickson family for their roses.

By the turn of the century, Dicksons were displacing the French rose breeders on the UK rose market and were exporting more than 100,000 plants to the US. By 1908, 25 of the 66 prize-winning rose varieties listed in the British Journal of Horticulture were Dickson roses.

Sam III died suddenly in 1934 and since Sam IV was only two at the time, there followed a 20-year "regency" period during which the business was run by trustees. No great roses were bred. But in 1958 Sam IV won his first gold medal with Orangeade, a floribunda, and two years later his first President's Trophy with Mischief, a coral-salmon hybrid tea.

"The difficulty," says Patrick Dickson, "is to try to guess, six years ahead, what colour the public will want." At the moment he is intensely excited about a new strain of apricot coloured varieties, to be introduced in a few years' time. One of them, as yet unnamed, has already been so exquisite that just describing it sends him into a state akin to intoxication.

Margaret van Hattem finds something in the garden lovely in a troubled province



I HAVE been thinking a lot over the past few weeks about the sad experience of a lady salmon fisher. For five years she had visited one of the better Welsh rivers, with absolutely no luck; then, on the last day of the season, she felt the magic double tug on her line. Eventually, and with some difficulty, she played the fish towards the shore.

There was a time when my conscience was kept absolutely under control, was never caught actually fishing a neighbour's water (I have extraordinary good eyesight) although I once had what I felt was a good precedent for deviating a bit from the strict boundary of my own beat.

These sentiments have been nurtured, I supposed, by a general decline of the killer instinct latent in all of us, probably as a result of increasing age. I have come to the stage when I really want to outwit the fish without making it pay the supreme penalty.

Several people have written to me this year pointing out the advantages of using barbless hooks. I have done it myself inadvertently when the hook is of poor manufacture, and you notice it only when the fish drops off a while being played. But even a barbless hook, while not injuring the mouth, can put great strain on the fish while being played.

With my new-born purity of purpose I would now land it and, if it was sufficiently undamaged, return it carefully. A year or so ago I would have killed it straight away, and perhaps even boasted of the exploit. Not any more.

Stuart Marshall's continuing story of the flying bonnet Cars and the angry customers

A FEW weeks ago I told the story of the driver of a Montego estate who was lucky to avoid death or serious injury when the bonnet flew up at 70-75 mph in the overtaking lane of the M4.

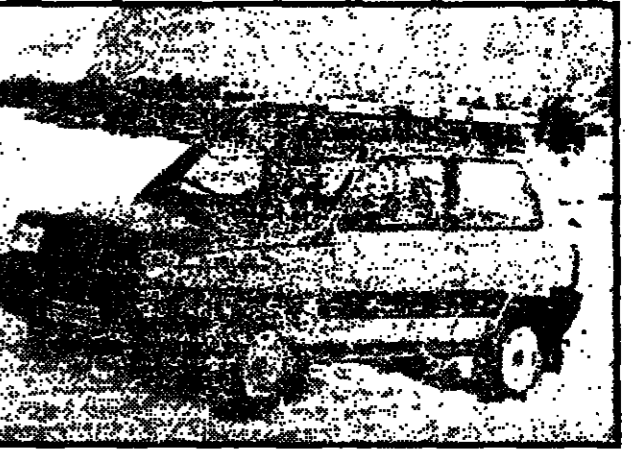
There were bonnet lifting incidents like Mr Simpson's followed by refusal to admit liability to pay for repairs and sundry problems. Some were dangerous (total, though transient, brake failure in a Metro); others puzzling (a quote of £85 for a Mini spare wheel and tyre stolen from the boot which, a London reader says, was forced open merely by hand pressure on the lid).

There were bonnet lifting incidents like Mr Simpson's followed by refusal to admit liability to pay for repairs and sundry problems. Some were dangerous (total, though transient, brake failure in a Metro); others puzzling (a quote of £85 for a Mini spare wheel and tyre stolen from the boot which, a London reader says, was forced open merely by hand pressure on the lid).

It is not the whole answer, but better communications will help. "No-one even said they were sorry for my Montego incident" was one of Mr Bill Simpson's main complaints. And the dismissive style of the letters his solicitor received would have infuriated me as much as it did him.

Mr Simpson, who had started pressing for a recall, through the Consumers Association and the Department of Transport, shortly after the incident, was so disgruntled that he sent me all the correspondence. He thought other readers might be interested. He accepted that a similar incident could have happened with any make of car and wondered whether another maker's reaction would have been the same as ARG's.

EUROPE'S MOST practical small car, the Fiat Panda, has been substantially improved for 1986. The two-cylinder air-cooled engine—a hangover from the Fiat 126 which powered a basic model not brought into Britain—and the 903 cc four-cylinder have gone. In their place are 769 cc and 1-litre versions of the new Fiat Fire engine, already used in the Fiat Uno and Lancia Y10 and soon to be seen in other makes of small car.



angular but roomy body, though it is even better protected by plastic mouldings from minor bumps or careless door-openers in car parks. The great success of the original Panda—more than 1.5m sold in six years—shows that in an age of increasing sophistication, demand remains strong for a simple, rugged and adaptable car. IN ITALY, most Pandas are bought as family transport.

Holidays and Travel Overseas

Advertisement for GIB (Gibraltar) featuring the text "On Schedule with Service." and "Now you can fly to Gibraltar by Air Europe scheduled services. Experience British service at its very best when you fly to the Rock. With Air Europe." It includes details about flight times and contact information.

Advertisement for Gino & Elena & Ted & Alice... but not Tom Dick & Harry. It describes a unique cultural experience in the Bahamas, mentioning high-class boutiques and Mediterranean cuisine.

Advertisement for Exodus Expeditions, offering a unique cultural experience in the Bahamas. It lists various travel packages and contact information.

U K Hotels

Advertisement for The Dorset Square Hotel, a small elegant English country house hotel. It lists amenities and contact details.

Motor Cars

Advertisement for Volvo, featuring the text "ORDER YOUR NEW Volvo Now". It lists contact information for Volvo dealers.

Personal

Advertisement for Boendorfer, a financial services company. It offers interest-free credit and other financial products.

Restaurants

Advertisement for Maharani Indian Restaurant, established over 27 years. It features a special lunch buffet and other dining options.

Activity

Advertisement for Horse Riding Holidays, offering a choice of holiday packages. It includes details about horse riding and accommodation.

Flights

Advertisement for Columbus, a travel agency. It offers flights to various destinations and includes a table of flight prices.

Hotels

Advertisement for Wiggins, offering travel services and hotels. It includes contact information for Wiggins.

Starting from scratch. Karen Elder's first steps in a ballroom

The way we danced till tea



Karen Elder taking instruction at the Dance Club Inter-nation

I HAVE ALWAYS envied those people who make ballroom dancing look easy...

I found little method in the teaching. Lessons consisted more of social chat than concentrated learning...

All he could see was a denim skirt and pumps, but as we rhumba'd (or lumbered) across the room and he breathed in my ear...

I learned to take small steps in the fox-trot, and big ones in the waltz...

using fancy steps and turns in a very correct manner. As we shuffled round, saying "sorry" every two minutes...

enough to take advantage of the live band and the marble floor, and really enjoy themselves.

tuition is in something that people aren't doing in the 1980s. I learned to waltz, tango, swing, rumba and fox-trot.

Costs

The Dance Club is well organised and the staff are welcoming and helpful. But, there is a doubt about its purpose...

Still in pursuit of romance, and with six lessons behind me, I was ready for the real world.

A group of American businessmen were earnestly discussing deals at a table in the corner. They finally put on their Burberrys and departed.

T. C. Dance Club International (American method), 1 Durham House Street, The Strand, London WC2, 01-930 0622...

Dance Studio (English method), 13 Blandford Street, London W1, 01-723 9578. £9 per one-hour lesson, and you can book and pay as you go...

Brew-it-yourself vinegar

Old wine in new bottles

WE ALL use vinegar. It could be a natural product like Sarson's Malt Vinegar. It could be chip-shop vinegar...

making vinegar. Take any fermented liquid, put it into an open bottle or jar, mask it from flies with gauze...



set into the jar about a third of the way up.

When the liquid level of wine-dreg tip-ins or sour wine has reached a height above the top level, the jar of liquid should be left undisturbed while a mother forms on the surface...

As the mother forms to work her magic, she will give off a strong, acidic, peardrop smell.

Strong alcohol does not take kindly to conversion and should be diluted with water to "wine" strength.

Vinegar, "mothered" or common, may be flavoured by steeping in it: garlic cloves, tarragon or rosemary branches, chillies or pils-pils...

This unique fluid may have been christened vin-aigre by the French, but it is far more than sour wine. It is a delectable and vital liquid especially when it has been made by your very own "mother."

James Page-Roberts

CHESS

THE STAR player at this year's Hastings congress had a name besting the occasion. Stuart Conquest, who won the local club title at 11 and was then world under-16 champion...

nounced a six month postponement of the Karpov-Kasparov series. This is a blow to London's bid to host the world championship...

First place, however, went to the highest ranked competitor, Margerit Petruson of Iceland, who was unbeaten and able to ease up in the final rounds...

Karpov has just completed in the IBM International in Vienna, where he tied for third behind Belyavsky and Korchnov.

Only three British players were included, and I believe it would benefit both Hastings and our international advance...

A fine win by young Stuart Conquest at Hastings: White: E. Formanek (US) Black: S. Conquest (England). Opening: Benko Gambit (Hastings 1985-6).

Since Kasparov became world champion, there have been several rumours of changes and dismissals in the Soviet chess hierarchy...

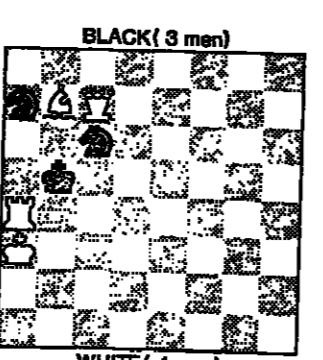
White's formation on moves 8-11 looks suspect, locking in his own QB and weakening the light squares around his king...

White now had a long think before replying. The defensive 14 QN3 would be met by 14... R-N1, keeping up the pressure.

BRIDGE

A BRILLIANT defensive coup, which defeats a seemingly impregnable contract, sets a defender up for the rest of the session. The players, sitting East in today's hands, must have felt really uplifted.

PROBLEM No. 604



White mates in three moves at latest, against any defence (by P. Benko). This picturesque miniature problem, cast in the form of a figure seven, was composed by a US grandmaster and endgame specialist.

Despite the sparsely populated playing area, the puzzle is far from easy to solve from the diagram without setting up board and men.

Leonard Barden

in the suit before the diamonds could be established for a discard.

West's club King was ruffed in hand, and South cashed Ace and Queen of hearts, upset when West failed to follow to the second round.

West opened with the spade Queen, and the Ace won. East, no mean performer, wondered if there was any way of defeating the contract.

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E. P. C. Cotter

The Huntington Collection

Saving California's finest

THE HUNTINGTON collection is one of the glories of California. On the night of October 17 there was a disaster. An electrical fault in one of the elevators started a fire...



An Indian village in North Carolina; illustration from a work in the collection published in Frankfurt in 1590

The Huntington is built round the private collection of Henry Edward Huntington (HEH) who established it as a research institution in 1918.

The grounds—over 200 acres—are landscaped into a series of exotic botanical gardens. Every lunchtime the resident scholars, botanists, and art historians take their daily constitutional.

The library was always the founder's own special joy, and the other things were mainly there to provide an ambience. For years he spent several hours every day with his books, and his broad knowledge was much commented on by visiting scholars...

mind. The shelves of the old library building which is used as an exhibition hall contain several thousand incunables. There is much on the history of the American North West. In recent years the library has been building up holdings on the history of ideas.

HEH's own true love was English and American literature and history. In the years before the First World War he bought extensively. At first he found individual volumes for a few dollars each.

His interests in books were varied but focused. He loved examples of early printing which he rightly saw as the great liberator of the human

of sixteenth and seventeenth century books many of them unique, as well as the famous Ellesmere manuscript of Chaucer. Huntington bought the archives of the Marquess of Hastings whose family name is Huntington. 40,000 documents in all, covering the 12th to the 19th century.

The Huntington is now one of the great intellectual resources of the world. It contains 600,000 printed books and nearly 3m manuscripts. Its material from the Elizabethan age, the English Renaissance as Americans call it, is unsurpassed. Only 13 copies of Shakespeare's Sonnets of 1609 are known to survive.

The director, Robert Middleton, who is a historian encourages visits from scholars and the general public. A selection changed a little month by month is on show in the Exhibition Hall. It is quite an education in itself.

William St Clair

Where policemen and Pitcairners eat—the Britannia's dining room



Yachting with the Queen

I FIRST saw the Royal yacht Britannia's capacity for accommodating temporary guests off another hot coastline on the other side of the world from Aden. I was doing research for a book about Captain Bligh and his mutineer, Fletcher Christian (recently filmed as The Bounty) and had determined to follow in the wake of their turbulent, ill-fated vessel to its final resting place at Pitcairn Island. Then I discovered that the only vessel going in my direction was the Britannia.

these walls. Instead, an abdication and a long war intervened and this £2m "medium-sized" naval hospital ship, to be used in time of peace as a Royal yacht, was not finally laid down until 1952.

There is a peculiarity of ocean voyaging in the Royal yacht. At nightfall, the accompanying RFA supply ship creeps ahead as the Britannia's speed is reduced to minimise engine vibration and allow the royal family and their guests to sleep. Day and night, the yachtsmen wear rubber-soled shoes.

West's club King was ruffed in hand, and South cashed Ace and Queen of hearts, upset when West failed to follow to the second round. He crossed to the diamond, King, then returning not the Queen, but the seven, to guard against a possible singleton on his right (which proved to be the case).

When the Britannia made its first appearance in January 1854, it was "the epitome of all eyes." To this day, from raked bow to cruiser stern, its elegance and smartness draw admiration wherever it sails.

So, across the Pacific we sailed by way of other desirable islands to Pitcairn, the last home of Fletcher Christian, and one of the remotest and most beautiful islands in the world. We dropped anchor in Bounty Bay, above the sunken, burned ribcage of Captain Bligh's ship. And out came the people in small, smart-for-the-occasion boats—every one of them.

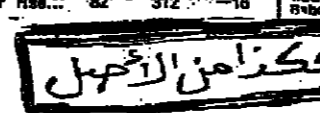
All this was in keeping with the yacht's origins and intended first owner, King Edward VIII, whose portrait never adorned

There is a tiny bar in a corner of the hall from which drinks are dispensed while guests await their hostess and host. Then, to dine. The first

They had come to tea—a meal of gargantuan proportions, the menu for which had been exercising the ingenuity of the Britannia's officers. All problems were finally solved by presenting these kindly, lonely people with what they like best and eat most: thick whitebread sandwiches, tropical fruit and an especially appreciated item, ice cream.

Richard Hough

Mr Hough's most recent book is 'Former Naval Person: Churchill and the Wars at Sea.'

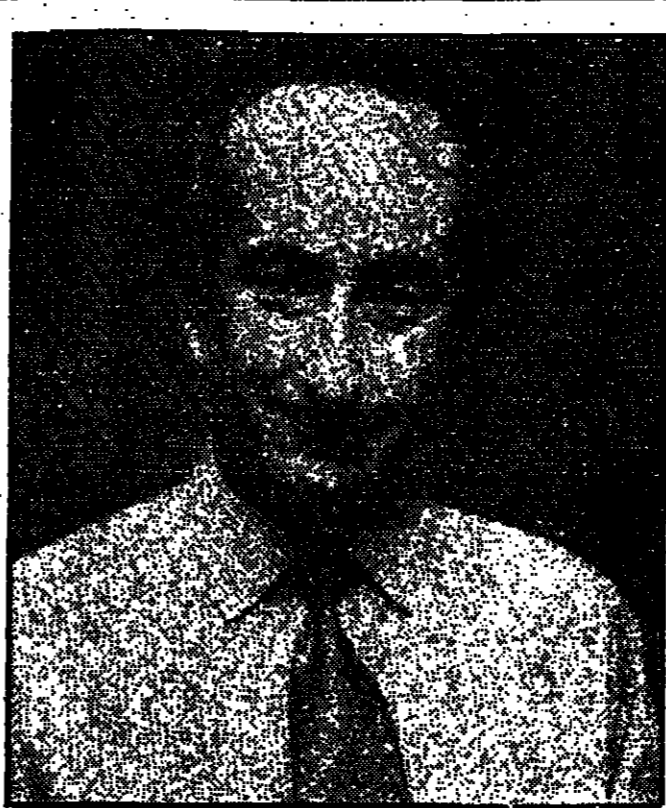




George Davies, chief executive, J. P. Heppworth & Sons: "On the whole I buy and choose my own ties. I'm extremely interested in them but, of course, I'm very influenced by what Next for Men is doing. My wife, knowing that I love ties, sometimes buys them for me when she's abroad—in fact it's the most frequent present I get. I tend to wear rather conventional well-cut suits and a tie is my one chance to be rather more fashionable. In fact shirts and ties allow me to make the sort of statement I can't risk in my suits. The ties I like at the moment tend to be in lilacs, greens or peachy colours. They are much more colourful than they used to be. I like particularly a pastel jacquard that Next for Men is doing. I don't like club ties very much—I think they are too much of a label, a lazy sort of status symbol."



Scott Crolla of Crolla, 35 Dover Street, London W1: "Inspiration behind one of the liveliest and most avant-garde of menswear shops in Britain: "I like ties which border on the vulgar—I like the fact that this small piece of material has immense potential to disrupt. You can be wearing a sober shirt and then have this 6 inches of anarchy running riot among the conventional attire. The fashion today is for ties to say something—bold patterns and eccentric fabrics are as much the norm now as polka dots. I loathe regimental ties both for what they say and for the fact that they are so badly designed. This small strip of material is all a man has to enliven the space between his neck and the top of his trousers so it must be bold and lively. Above all, I can't bear ties that WORK."



Ralph Halpern, chairman of the Burton group: "All my clothes are important to me—after all, people sense the kind of person you are from the way you dress. I like a tie to co-ordinate with my suits and with the colours and fashions of the season. I am obviously not typical, being in the fashion business, but I mostly buy all my ties myself. The other day I bought a batch of 48 from Harvey Nichols all at one go—they are marvellous. They come from all the big names. I mostly wear ties from the more specialised shops like Hilditch & Key in Jermyn Street—I find the Jermyn Street shops tend to be that little bit in advance of the multiples, and, after all, I've got to produce an image that doesn't startle and yet is a bit ahead. These ties alert me to changes in mood and fashion and give me ideas for Burton, Top Man, and Principles. When I go to Paris I tend to look at more classical collections, and usually buy something from Yves St Laurent and Hermes. I own about 100 ties—mostly simple ties with a bit of colour. I dislike large, floral ties or those with Hawaiian patterns that look more suitable for the beach than the office. Muted florals and paisley are the patterns I'm wearing at the moment."



Sir Christopher Hogg, chairman of Courtaulds: "I've become extremely interested in ties over the past few years. Partly it is because we are a textile company and so I've become very preoccupied with colour, fabric and design. I've also got pretty fussy as time goes by. I don't like ties that are too broad or too insubstantial. I like ties with weight and fullness, a certain feel and quality to them. I love getting ties as presents, and my wife Anne and our two daughters buy them for me quite often—I got about half a dozen at Christmas—and I buy them for myself as well. I used to go for sober ties, usually in navy with a small pattern. They were really rather dull. Now I'm getting steadily more interested and more adventurous. I'd never wear a bow-tie or a symbolic tie except occasionally a Vincent's tie (an Oxford sporting club tie) or the one belonging to my parachute regiment. I love Turnbull & Asser ties, but I find that for travelling silk ones get dirty very easily, so I always take a Burberry woollen tie in a good serviceable colour when I'm travelling. Now that I'm interested in ties I find I have a tremendous turnover in them—I throw out at least 20 or 30 a year."

Setting the style in stars, stripes and spots

# Every tie tells a story

"ONLY FOOLS," said Oscar Wilde, "don't judge by appearances." I should like to paraphrase that a little: only fools, I would say, think that appearances do not matter. Ties, there are few more potent ways for a man to signal a message to fellow man than by that small piece of fabric he knots around his neck.

Sober polka dot on navy says serious, reliable, main-stream professions. A salinator, perhaps, or something in the Foreign Office. Woolly ties have long been the badge of redbrick universities, crinic vegetarians and Michael Foot. Paid-up members of the design-conscious set go for bow-ties or obviously unusual ones by Memphis or Paul Smith. Small animals, spots or paisley on thin woven silk, predominantly red or maroon, is Sloane Ranser taste. Eccentrics real or would-be always wear bow ties.

Then, confusingly, there are those who regard it as a badge of personal freedom never to wear a tie at all.

Stripes, though, are hardest of all to read. Unless you know the code, this is a hard language to crack. Those who wield most real power have least need to wear a tie to proclaim their status—which accounts for the fact that an Old Etonian tie is more likely to arouse suspicion than reassurance. Real members of the club have no need to proclaim their membership.

I like to recall the story that Tim Heald tells in his book *Networks* about the former Speaker of the House of Commons, now Lord Tonypanody, who bought a good dark grey suit for his arrival at Westminster in the 1950s. Then he saw a tie that went with it very nicely so he bought that, too.

On his first day at the House he turned up in his new grey suit to be greeted with uproar from the Tory benches. They were frantic. He turned to Jo Grimond and asked, "What's wrong with them?"

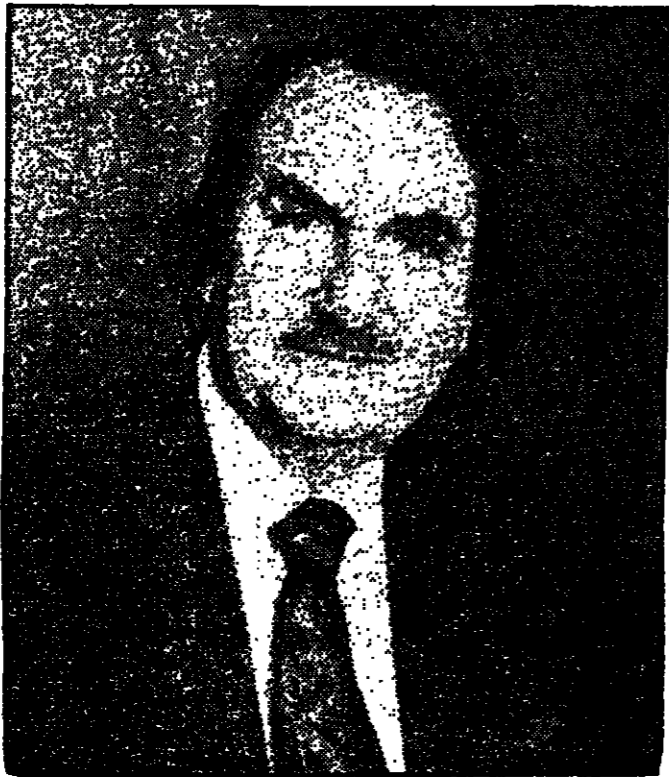
"I think it's you," said Mr Grimond.

"Are you aware," asked the trembling Tory chief whip, Captain Chichester-Clark, "that you are wearing an Old Etonian tie?"

"No," said the then Mr Thomas. "I got it at the Co-op in Tonypanody."

A timely reminder that the language of ties is complicated. You always have to take into account the chap who might have bought his tie at the Co-op.

While the fashion for "symbolic" ties may be diminishing fast (few captains of industry I spoke to would dream of wearing one), sales of ties themselves are rising fast.



Sir John Harvey-Jones, chairman of ICI, spent many years in the Royal Navy where he would, of course, have been tied to regulation ties and short hair-cuts, so it is not surprising that he seems to have branched out in his new civilian life. His wife buys almost all his ties. He has about 150, and they tend to come from such establishment emporia as Yves St Laurent and Christian Dior. Opinions about them vary. Some think them very adventurous and dashing; others say they remind them of nothing quite so much as the "interference on early colour television."

Last year, it is reckoned, some 30 million found their way from store to wardrobe and that the average British male owned 13. Harry Bonser, chairman of the Tie Manufacturers' Association, tells me that never before has the demand for English madder silks, English figures, stripes and spots, been so high. Every aspiring, upwardly-mobile foreigner, it appears, wants to look like an English gentleman.

Harry Bonser himself would never dream of wearing anything other than a hand-made English woven silk one ("I find Goddard's dry-cleaning powder is a good way of cleaning the mat home") and just at the moment paisleys are, he says, flavour of the month.

The original tie, I am sure you know, was a simple Macclesfield silk square folded in seven. You chose your silk, and it was custom-tied for you. It looked good and thick with a big, bold knot. If you have a hankering to try one, Harvie & Hudson of 77 Jermyn St, London W1 sell a ready-tied Macclesfield Square (prices start at £14.50), and so does Mr Fish of 52 Piccadilly Rd, London SW1 (£22-£25).

In recent times ties tended to be printed on crepe de chine because it allowed a lot of scope for patterns, but lack of body in the material tended to make ties look tired quickly. Now more manufacturers are using a gutsier silk which has more texture and makes a firmer knot.

It is the weight of silk that determines a really good tie—22 oz silk, lined, and made by hand, are the hallmarks you should look for.

Lesser ties are made of 16 oz silk with padding to make them seem thick and luscious.

Hand-made ties have soft, rounded edges, and it is this that makes them difficult to clean—most dry-cleaners tend to press them, leaving sharp, flattened edges, so search out the best dry-cleaner you can find (more about this later).

Over at Turnbull and Asser of Jermyn Street, where some of the finest ties in the world are sold, Nigel Butler is firm—there is no real way to clean a tie properly: "gentlemen should take care not to slop their food."

He confirms that while club



and regimental ties are always popular, they are certainly not what he would call fashionable ("It's the Americans that like them because they are so English.")

Given that this small piece of cloth is what Graham Tong of Austin Reed calls "the last romantic thing left in a man's wardrobe, his chief way of adding colour, interest and zest to his person," it is surprising how little fashions vary. Width is the chief indicator of change. It was Mr Fish, you may remember, who introduced us to the "kipper" tie back in the

1960s—and quite a stir it caused at the time.

Today the mood is for ties 9cm wide (though Mr Fish himself these days sports a plain coloured silk knitted tie). At Harvey Nichols menswear department Chris Templer is laying bets that it will not be long before the kipper tie is back.

Mr Fish is a great believer in paying attention to the way you tie the knot. "You can tell a man by the way he ties his tie," he says. "A tight knot means he's rather repressed—you know, the sort of book-keeping type, slightly mean. A knot that is tied too loose means a slightly flashy type. Very dull ties," he says, "speak of a man who is frightened and insecure, although some very insecure men may depend on very expensive ties instead."

For those who are interested in trying something a little bit more adventurous without looking outrageous or, heaven forbid, "creative," Paul Smith of 43-44 Floral Street, London WC2 could be the place to go. Though he is probably the favourite designer of the arty set, he understands that men in

the City and industry need to dress the part and he has developed to a fine art the knack of providing a look that is entirely appropriate yet at the same time a little bit more fashionable, a little more interesting than that provided by the classic gentleman's outfitters.

He is very fond of ties, believing that it is the one chance the man "tied to the kit" has of adding a little humour, individuality and interest. For those who are not "tied to the kit" he has a collection of 1940s ties, some unworn (just discovered lurking in forgotten warehouses) some old. These are selling like the proverbial hot-cakes. They vary from the really smart to the kitsch (whether an original hand-painted Salvador Dali like one in the batch, or a mass-produced number, all are £12 each).

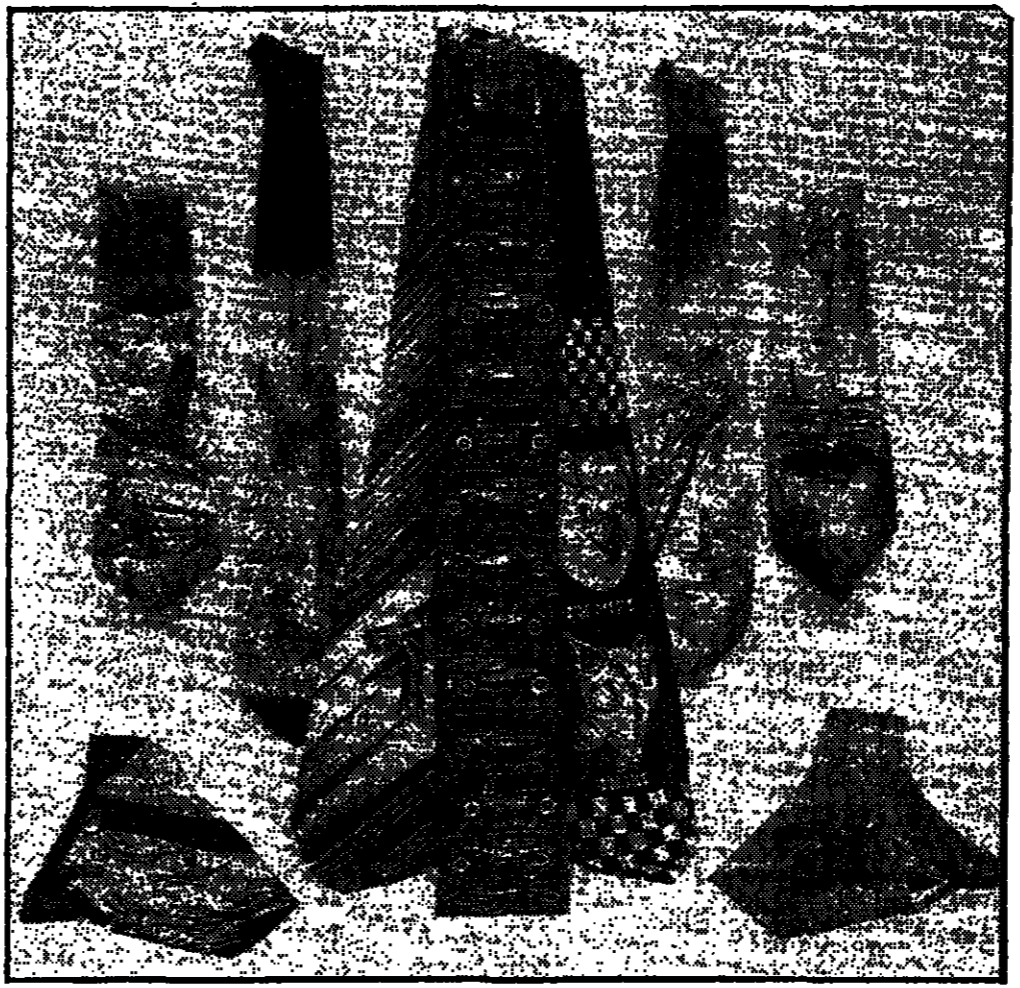
Everybody agrees that the really big problem is how to keep the wreathed things clean. Mr Harry Bonser uses Goddard's dry-cleaning powder with some success. Graham Smith of Austin Reed thinks that foulard silk, which absorbs wine and food stains like blotting paper, should be treated with a guard like Suedeguard. Chris Templer of Harvey Nichols recommends Celebrity Cleaners of 155a Wardour Street, London W1 and Lilliman & Cox of 34 Bruton Place, London W1 as the best cleaners he knows. Sir Christopher Hogg of Courtaulds recommends Jeeves of Belgravia, which has done an excellent job for him. Above all, they all agree, don't send a treasured tie to the ordinary corner cleaner.

At the Tie Rack, William Hobhouse, who reckons his chain of 60 shops selling hand-stitched 16 oz silk ties at incredibly low prices has done more to persuade more men to take an interest in their ties than anything else in the tie world for years, is working on the problem.

"We're looking at the whole problem of protecting and cleaning ties and it won't be long before we have something definite to offer." Watch this space.

In the meantime, as he points out, Jeeves does an excellent job but charges £3.25, about a third of the price of a new (Tie Rack) tie for the privilege. He thinks it would be nearly as practical just to buy more ties. (But then he would, wouldn't he?)

But if all you want to know, is what sort of tie to buy, the answer from the Tie Rack to Harvie & Hudson, from Paul Smith to Austin Reed, is loud and clear. Buy any sort of a tie so long as it is a paisley.



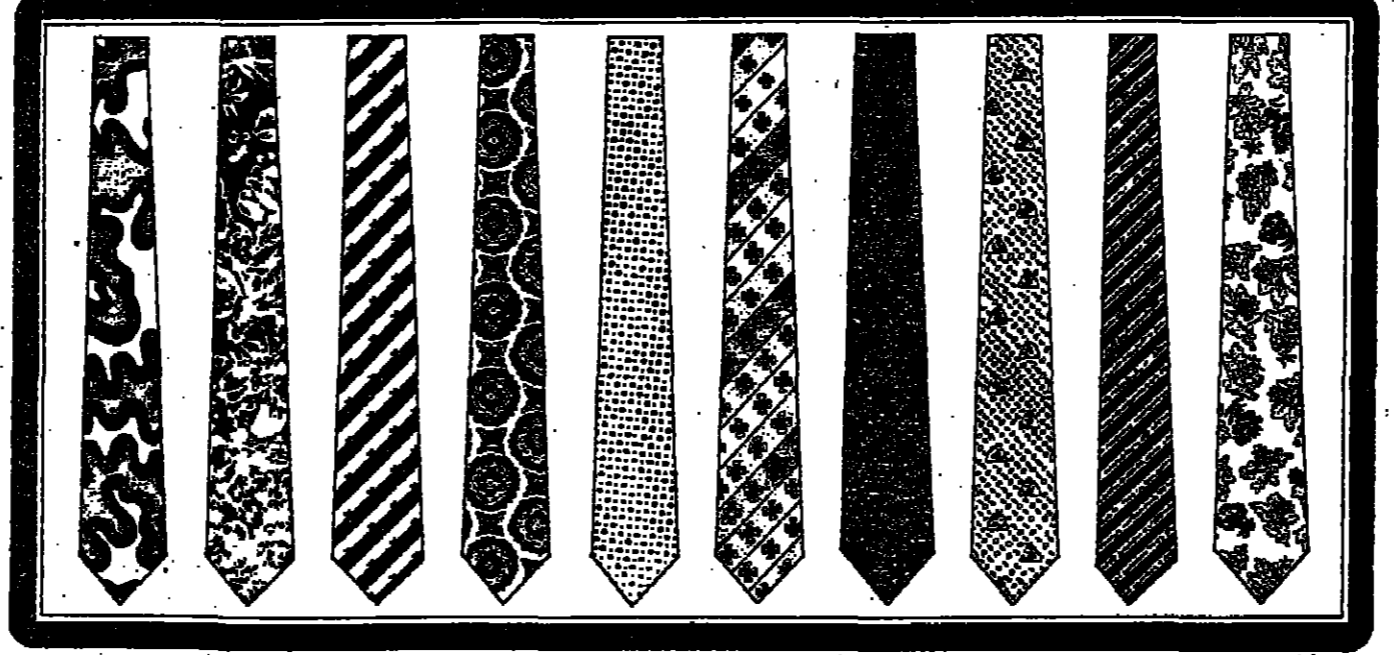
Samples of Paul Smith's collection of 1940s ties—unworn or secondhand; some tasteful, but mostly plain kitsch. Collectors snap them up at £12 a time

The cheapest silk ties I know are in the sale at Tie Racks' many branches. For £3.99 and £5.99 you have quite a choice of 16 oz Italian silk ties (heavy-quality English silk starts at £12.99).

If you are prepared to spend between £15 and £25 you can choose from the best in the land (so long as you don't hanker for one of Sulka's silk jacquard versions embellished with 18 K gold thread at £75 a throw).

Sketched here from left to right are some of the most dashing around:

Bright and bold red, turquoise and black, £27. Paul Smith; Smudgy floral in red, blue and green, £25. Mr Fish; Red and blue stripes with fleur-de-lys motif, £21. Turnbull & Asser; Grey background, red, blue and green medallions, £18.50, Austin Reed; Dark red, green and red yellow spotted, £15. Hackett; 65b New Kings Rd; Black, grey and maroon stripes with blue and yellow motifs, by Jean Paul Gaultier, £29.95. Harvey Nichols; Navy blue background, green, red and yellow paisley, £15. Hackett; Mustard background, grey horse's heads, £16.50. Paul Smith; Green and white "favourite things" tie, £25. Mr Fish; Oyster self-patterned tie with the occasional bright blue and pink flower, £24. Crolla.



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Records

Many moods of the tenor sax

THERE IS a strong case for asserting that the tenor saxophone is the most popular instrument in jazz—most popular, that is, with musicians. There are several reasons why, including the instrument's wide range, enabling the player to create an imposing array of moods and feelings, plus its mobility which facilitates improvisation, the essential core of any jazz performance. Spike Robinson, Don Lanphere and Tommy Smith are merely three of today's multitude of tenor saxophonists. All three have different styles, as three different albums from each reveals. Interestingly Robinson has been a spare-time jazzman all his life (he is in his mid-50s) and local audiences who have heard him on his recent visits from America marvel at the slightly passé smoothness yet timeless lyricism of his playing. These attributes are faithfully captured on a live session with pianist Eddie Thompson and his trio recorded at Chertsey, Southend-on-Sea (Hep 2028).

Richard Fairman on the first discography

Just for the record

HOW MANY singers have recorded the song "Yesterday"? A dozen or more, one might think, at the outside. But as one records, one finds another—Clayton Kopp and the Rips, Smokey Robinson and the Miracles, the silky style of the Beckers, a throaty roar from Ray Charles, even the comedian Arthur Mullard—the list starts to seem endless. At present, the total is certainly over 70 and still rising. The nation's heritage of recorded music has reached a point where it is becoming unmanageable. Over the last 90 years or so, since recordings began to be issued, there has hardly been a period in which the output of the recording industry has failed to expand in the range and quality of what it has to offer. Various catalogues have struggled to keep the public abreast of it (good for classical music, virtually non-existent for jazz or reggae) and by now the need for a central source of information has become acute. With yesterday's launch of National Discography Ltd all this should change. Every sound recording will be fully detailed on a central database regardless of what it contains, from Bach to Bacharach, from punk to funk, from birdsong to boogie woogie. This new enterprise is to be jointly funded by the Mechanical Copyright Protection Society (MCPS) and the National Sound Archive and will draw on the collective expertise that they can muster. For the public this database should eventually open up a treasure trove of recordings whose existence is unknown or long forgotten. It will, of course, be possible to track down the six current recordings of Wagner's Ring. (Who would have thought 20 years ago that there would ever be six?) But as the National Discography works back through all the records that are no longer on sale in the shops, a whole history of the recordings of Wagner (to name but one) will slowly emerge. If any other countries have national discographies, they are keeping quiet. A recent attempt to contact people who seemed to be doing the same work elsewhere brought only one reply: that was from Canada and it turned out that the scheme, which had been wholly government-funded, had come to a halt as its source of money dried up. The British operation looks as though it will be marching into largely unexplored territory. The rewards could be immense. Ever since the days of the Beatles, British music has been one of the main contenders in the international pop arena. 1968 was not perhaps one of its most glittering years, but even then it is worth noting that almost half the annual top 10 albums and singles in the US came from British artists. National Discography will have all this information on call, able to cross-reference quickly between titles, artists, lyricists, composers and recording companies with the flexible computer techniques that MCPS has at its disposal. It is not surprising that the music industry has given the launch a welcome. This is a crucial year. The compact disc has taken off with small independent companies like Nimbus raising massive investment for pressing plants to meet international demand. And expectation on the imminent legislation (or lack of it) to deal with illegal home-taping has reached the nail-biting stage. Will the money come back in the form of a levy to the British, whose music is being copied? Or will it go off to the Japanese, who make the cassette recorders and tapes? Good wishes from industry organisations grace National Discography's launch brochure. And for the future more down-to-earth support is promised. The BPI and IPI, representing large and small record companies respectively, will supply a supply of essential information about new releases; and, in addition, copies of recordings of all shapes and sizes—7in and 12in singles, picture discs, LPs, compact discs, cassettes—will pass on for inclusion in the National Sound Archive. A minimum of 20,000 items a year is expected to arrive. But then the archive, which is part of the British Library, has had the support of the industry for some time and has already built up the largest collection of sound recordings available to the public in the country. (A free listening service gives access to any member of the public at its South Kensington home.) Where the archive will benefit is in the much-improved information it can provide about the recordings it holds. In this sense the enterprise complements other activities already afoot. Running a sound archive is as much about keeping up with the present as delving into the past, and the thing which is most likely to impress any visitor is the way new technology here is quickly taken up and assimilated. Only last month the latest kind of digital recording desk came into operation, capturing recordings from the distant past (such as early cylinders) and preserving them in the most advanced state for posterity. The archive's projected publication of the National Discography is another step forward on the same path. In all, a veritable maze of interests. The National Sound Archive and MCPS will clearly reap the most immediate benefits; but as National Discography builds in strength over the coming years the range of users should spread in like proportion, both here and (possibly) overseas. Nobody doubts that those recordings of "Yesterday" will just go on and on.



Early picture discs from the National Sound Archive collection

Saleroom

Threads of silver and gold

SILVER collectors will gather in London this week for the second annual International Silver and Jewellery Fair and Seminar at the Dorchester Hotel. This year the salerooms will be holding silver auctions around the same time for collectors with spare cash. Phillips is selling on Friday; Sotheby's, rather oddly, the week after the fair, although its offerings will be on view during it. Wise collectors will study closely what the salerooms have to offer, for this is a market dominated by dealers with few private collectors bold enough to trust their own judgments in the auction room. Saleroom silver is usually cheaper than similar pieces for sale at retail outlets such as Harrods. In real terms the price of basic silver articles at auction, such as cutlery, silver, or 19th century tea and coffee sets, is much lower than it was 20 years ago. The rare and costly items have appreciated but the mass of silver is cheap. Sotheby's is holding one of its better sales on February 6 and is hopeful of hitting a target it missed in 1985—a single lot of silver which will sell for over £100,000. The lot which inspires such confidence is a set of six George II table candlesticks made by Paul de Lamerie around 1733. His work is greatly sought after among silver collectors. A set of six is a great rarity—one by de Lamerie has appeared in the saleroom since the Second World War—and the provenance could not be better. They were made for the de Salis family and are being sold for the current Count de Salis. Mindful, perhaps, of the Earl of Stockton's warnings great families seldom offer their silver for sale through the sale-

rooms these days. However, in the same auction, the Hon Edward Stourton is disposing of 20 lots of Stourton silver, complete with crests.

Although most silver objects have enjoyed only a modest price rise in recent years there has been a definite swing in taste, reflected in price, towards the ornate rococo and neo-rococo objects, produced originally in England between 1730 and 1770 and copied in Victorian times. This fashion owes much to foreign buying, especially by the Arabs and in particular by the Gulf billionaire, Mohammed al Tajer, who has spent around £2m on silver in the last two years. He paid £484,000 for the Duke of Northumberland's vast silver-gilt "Shield of Achilles," in 1984, made by John Flaxman, so he may be interested in another shield, the trophy awarded for the 1844 Gold Cup at Ascot, made by Edward Baily, a pupil of Flaxman, which, in a scene of Boadicea's Britons killing Romans, matches the bravura of the Achilles design. It carries a top estimate of £20,000. Anything connected with wine—wine coolers, wine funnels, wine labels—has also performed well. Sotheby's is offering two lots, one of 15 and another of seven wine labels, mainly of the early 19th century. They provide an interesting insight into what was consumed in rich households—there are labels for Red Majorca, Johannesburg, Schiraz, and Syntacus, along with Barsac and Rhénais. These two lots were sold at Christie's in 1965 for £90 and £52 respectively; they are now estimated at around £850 and £2,000. The auction also includes a rare lot of gold—six George II teaspoons and a pair of sugar nips, attributed to Francis Harrache, London, circa 1760. Only two other sets of gold spoons of the period are known. The estimate of £4,000-£5,000 seems cheap. The last time gold cutlery appeared at auction was in July at Christie's. A spoon and fork attributed to William Mathew and dated 1889 sold for £31,840 to Spink. A day or two later Christie's cancelled the sale: the set was discovered to date from circa 1963. Antony Thorncroft

Galleries

Brush stroke

THIS WEEK a portrait of Ian Botham by the Scottish artist John Bellamy was unveiled at the National Portrait Gallery. The sporting tradition has been quite as much a glory of national art in Britain as of national life since the 17th century—but then so has the portrait; and whereas the bold rider to hounds or the expert rodder or gun has frequently seen himself as a fitting subject for his own and posterity's applause the games-player, it seems, has not. Cricketing paintings are not rare, but they show cricket as an incident in the landscape and a feature of the outdoor life in a general way, not as a great public spectacle defined by its leading characters in the way field sportsmen have traditionally defined their pursuits, and never as a livelihood. Until this week there was no portrait of a cricketer to be found at all at the National Portrait Gallery, for the only other one remains on extended loan to the MCC at Lords. This is a half-length figure by an unknown artist, rather perfunctorily set out but for the head which is fully realised. Here is William Gilbert Grace, four-square to the viewer, an imposing figure with his full brown beard below and faintly comical, very round scarlet and yellow MCC cap above, a high Victorian worthy in middle life. It dates from about the late 1880s when Grace was about 40. We see in his prime one of the first sporting celebrities, a middle-class hero from the age when sport was moving from the regional to the national stage and beginning to set into its modern professional form. He is certainly no country gentleman, nor even a gentleman at all if the stories about him are true. Now he is joined, in for the moment only in spirit, by Ian Botham in this larger but oddly similar canvas. Its subject is presented half-length and full face, a massive, imposing and, in its own way, hairy



John Bellamy's portrait of Ian Botham (above) and W. G. Grace by an unknown artist



William Packer

Radio

A case of identity

RADIO 4's Saturday Feature last week, "The Mystery of the Reluctant Storyteller," set out to deduce the particulars of Conan Doyle's life by Holmesian methods from clues hidden in the stories. It was an amusing idea, though Derek Wilson, writer as well as presenter, was unwise to begin with some biographical detail likely to be known to all Holmes addicts—Doyle's dissatisfaction with Holmes's character, his difficulty in killing him off. The Holmes stories, we were told, contained hints of the Doyle career from student to retirement. Grimpey Roylott was a portrait of Doyle's first partner in his medical career. Holmes was derived from Joseph Bell, under whom Doyle studied in Edinburgh. We dug out internal evidence that Doyle was untidy, adventurous, generous, ignorant about the Turf. But my faith in Mr Wilson's scheme waned when the programme ended with no reference to spiritualism, one of Doyle's additions, or to his apparent belief in fairies. Yet wait: "Agamé I gripped his sleeve," wrote Dr Watson in "The Adventure of the Empty House," and felt the thin, sneaky arm beneath it. "Well, you're not a spirit, anyhow," said I. On Sunday, Radio 3 gave us in the Month of the Jaguar, one

of those creepy tales, with ghoshs and murders, pagan rituals and horrid scandals such as we used to read in books with titles like "Not at Night." But the author, Roger D. Powell, the director, Ronald Mason, has added some quasi-intellectual polish. Ishano, a retired porno photographer, says things like "A long time ago, before the bottle bit and hope became a ghost." He soliloquises a lot, both narration and reflection, and other disembodied voices prod him as he returns to the site of a human sacrifice that he once photographed. But, although his voice was the voice of Robert Stephens and the cast was full of good names, the effect was never more than the raw menace you get in Saturday night television films. They did better on Wednesday with David Pownall's "Master Class." Timothy West's Malin, blending his own study with Mr Pownall's penetrating dialogue, produced just the character one would know as one's own Stalin, built up from the papers and the history books. He sounded as we would expect him to have sounded—authoritative, derisively sym-

Advertisement for the Royal Opera production of Salome. It features Gwyneth Jones as Herodias, José Van Dam as Herod, Helga Dernesch as Salome, and Robert Tear as Herodias's attendant. The conductor is Andrew Davis. The production is by Richard Strauss. Performances are on February 10, 14, 18, 22, 25, and 27 at 8.00pm. Reservations: 01-240 1066/1911. Access/Visa/Diners Club.

Advertisement for the Royal Opera production of Faust. It features Stuart Burrows as Faust, Samuël Ramey as Valentin, and Nelly Miricioiu as Marguerite. The conductor is Michel Plasson. Performances are on January 30, February 1, 4, 7, and 7.30, and February 15 at 7.30. Reservations: 01-240 1066/1911. Access/Visa/Diners Club.

of those creepy tales, with ghoshs and murders, pagan rituals and horrid scandals such as we used to read in books with titles like "Not at Night." But the author, Roger D. Powell, the director, Ronald Mason, has added some quasi-intellectual polish. Ishano, a retired porno photographer, says things like "A long time ago, before the bottle bit and hope became a ghost." He soliloquises a lot, both narration and reflection, and other disembodied voices prod him as he returns to the site of a human sacrifice that he once photographed. But, although his voice was the voice of Robert Stephens and the cast was full of good names, the effect was never more than the raw menace you get in Saturday night television films. They did better on Wednesday with David Pownall's "Master Class." Timothy West's Malin, blending his own study with Mr Pownall's penetrating dialogue, produced just the character one would know as one's own Stalin, built up from the papers and the history books. He sounded as we would expect him to have sounded—authoritative, derisively sym-

pathetic or plain derisive, egocentric, sentimental, omnipotent. His slight foreign (Georgian) accent distanced him from the rest, from the ignorant, hectoring Zhdanov (Jonathan Adams), the helpless intelligence of Prokofiev (Peter Kelly), the bewilderment of nostakovich (David Bamber). His cruel mockery of the two great composers, designed to prompt them into writing simpler music for the old folks and children who survived after 20m Russians had died in his service, is treated in sundry ways, from the frankly funny (the four-part "folk-cantata") to the savage (the smashing of the records). There is not a dull moment in the play, and Martin Jenkins's production was admirable. On Thursday we had the first of Radio 4's new series, Pillars of Society, which is examining six bastions of power that the BBC believes uphold our society. These are the Bar, the Bishops, the Inland Revenue, GEC, the Daily Telegraph, and Scotland Yard. Each institution will be examined by a different presenter, and if the standard remains as high as that of Hugo Young's examina-

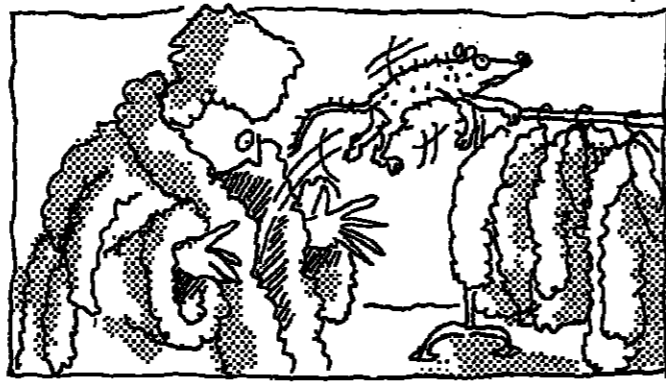
tion of the Bar the series will be interesting and useful. Mr Young began with the tenets that the Bar is self-regarding and jealous of its privileges. This was at once demonstrated when he heard that the Lord Chancellor had forbidden one judge to speak on the programme and that one QC had demanded (or rather his clerk had demanded) £200 for a 10-minute interview. But as Lord Templeman said, the Bar is buzzing with proposals for change—for the right of access by solicitors in court, for example. The wearing of drag in court, and the exclusivity of barristers' messes, were mostly approved, as demonstrations of the law's impersonal character. There were, we were told, too many barristers practising, there was undoubted discrimination, and some barristers were overworked and underpaid. (The median income of a London barrister after 10 years is £15,750 a year.) B. A. Young

CHRISTIE'S Art Galleries. The right place for Miniatures. Claudia Ellison. 8 King Street, St. James's. London SW1. Tel: (01) 839 9060. Peter Flory. 85 Old Brompton Road. London SW7. Tel: (01) 581 7611.

WEEKEND FT

Letter from Leningrad

Sable talk in old St. Petersburg



AS THE TEMPERATURE in Central Leningrad dropped to below minus 20 C last week, 250 fur traders gathered for the Soviet Union's biggest fur auction in Moskovskii Shosse.

The star of the video was a shy but poised 20-year-old ash-blond student from Leningrad called Marina who was wrapped in a series of \$75,000 ankle-length sable coats.

Other Soviet nationalities staying in Leningrad show less so-called to socialise. One of a party of Tajiks, from the Republic of Tajikistan on the Chinese border, eager to demonstrate his English, prodded me gently in the upper ribs and said: "Margaret Thatcher, Sherlock Holmes... Scotland Yard."

effort to improve its entertainment. The Literary Cafe, once famous as the place from which the poet Pushkin set out for his fatal duel, has been reconstructed on the corner of Nevski Prospekt and the Moika Canal.

Private View

Bad language on the box

IT IS uncomfortable to find myself for once in the corner with Mary Whitehouse, but there are certain words that offend me as they tumble nightly from the television screen.

Trevor Bailey looks on the bright side as David Gower's men fly out A real England challenge

TODAY David Gower's men fly to the Caribbean to face the best cricket team in the world. That is the reality—more formidable in many ways than the task facing British footballers, Mexico-bound for the World Cup in May.

subjectly against New Zealand and India. However, the West Indies team would have been outstanding in any era, even if the absence of a good spinner could have proved a serious handicap before the introduction of totally covered pitches.

to draw two of the four Tests. Second, since that debacle of 1984 Graham Gooch and company have been released from their excommunication, much confidence has been acquired from the Indian tour and retaining the Ashes, and the first six in our batting line up are impressive: Gooch, Robinson, Gower, Gatting, Lamb and Botham.

Of the other batsmen, Tim Robinson possesses a splendid technique which enables him to cope successfully with fast bowling by swaying with the short-pitched ones rather than trying to hook. As for David Gower, he will find life harder than he has in the past.



"He will find life harder"

best player of fast bowling. He will have opportunities to prove it on this tour. It would be nice if Botham could recover his bowling skills against the West Indies.

Patrick Cockburn

trusting spin, the West Indies batsmen could be faced with an unsettling attack. Now to the West Indies team. Their middle order looks exciting but not too sound, and understandably is less convincing against slow bowling than pace.

F.T. CROSSWORD PUZZLE No. 5,931

Crossword puzzle grid with numbers 1-30 indicating starting positions for clues.

Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 3DF. Solution next Saturday.

Crossword puzzle solutions for clues 1-30, including words like 'Garment making critics', 'Nude birds free?', and 'Nude with time to spare'.

SATURDAY

Television and radio schedule for Saturday, listing programs on BBC 1, Channel 4, and BBC 2.

LONDON

8.55 am TV-am Breakfast Programme, 9.25 No 73, 11.00 Terrahawks, 11.30

SUNDAY

Television and radio schedule for Sunday, listing programs on BBC 1, Channel 4, and BBC 2.

REGIONS

Television and radio schedule for various regions including S4C WALES, IBA Regions, and ANGLIA.

LONDON

Television and radio schedule for London, listing programs on BBC 1, Channel 4, and BBC 2.

TELEVISION AND RADIO

Television and radio schedule for various regions including ULSTER, YORKSHIRE, TSW, and SCOTLAND.



Pam Brown, "Jim'll fix it" BBC 1 5.20 pm

Little House on the Prairie, 2.15 pm Supercar, 12.20 am Poet's Corner.

YORKSHIRE

Television and radio schedule for Yorkshire, listing programs on BBC Radio 4 and BBC Radio 2.

Television and radio schedule for various regions including TSW, SCOTLAND, and YORKSHIRE.

Investment Trusts 1.75 Stocks 2.74

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